

THE BRIDGE

OFFICIAL PUBLICATION OF
THE CREDIT UNION NATIONAL ASSOCIATION

MARCH, 1939—VOL. 8 NO. 1

Let's be more human. Let's take longer chances in our credit unions. Let's be a little less arithmetical; let's not overlook the soul of this thing; let's be vigilant and see to it that the credit union stands closer by the sides of its members, eagerly reaching out to determine what their problems are and then, as eagerly, showing them the way of their solution.

Thomas W. Doig

THE WAY TO ECONOMIC BETTERMENT

The BRIDGE

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ADVERTISING RATES ON APPLICATION

All subscriptions received before the fifth of the month start automatically with the issue of the current month; all those received after the fifth of the month start with the following month. We find that we have a large number of address changes. To insure prompt delivery of The BRIDGE, when you change your residence, please send in a post card with your former address as well as your new address. When sending in a single subscription or a group of subscriptions, The BRIDGE would appreciate it if you would mark any renewal subscription conspicuously with the word "Renewal".

Why Save?

Why should a credit union member save regularly? In the Missouri news section of the February BRIDGE, Miss Marie M. Turner, Treasurer, Emery, Bird Thayer Credit Union, Kansas City, Mo., answered this question in the most powerful editorial on the subject we have ever read. By popular request it is reprinted herewith:

DID you ever read the story of "The Richest Man in Babylon"? It is only the story of a man of ancient times who decided it would be smart to pay himself a portion of all that he earned. He observed that others went about paying Peter and Paul, but never holding out a cent to pay themselves. Did you ever think of your savings account as representing your own personal pay for the time and energy you have put into the earning of your money with which you pay everyone else?

Your credit union treasurer wishes to call your attention to the one person you are forever cheating out of his earnings, and that one is YOU—the old man you will be some day. I bring to you an old, old idea with a new dress. There are two pays in your envelope. The other belongs to that same old man. Some day he will say to you, "There was enough money in all those pay envelopes for both of us. Where is my share?" Cheat him today and you cheat yourself, for he is you. You, years older, years feebler, you looking for the job the young man gets, going from shop to shop—you trying to look neat and trying very hard to be brave. Don't think of your credit union savings as just for today's convenience. Think of it as a plan for getting the money that belongs to someone else—that other person you will be some day.

Then, again, I remind you that an old man's clothing, shelter, food, cigars and the independence that means so much to an old man, are in your pay envelope each payday and years do not make a rich man—they only make old men. The savings bill is the only bill you are ever called on to pay before it is due and unless you do pay, NOW, before it is due, someone else must pay it for you, THEN. The pay of two persons is in your envelope today, so see that the old man you will be gets his share first—SAVE REGULARLY WITH YOUR CREDIT UNION.

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A MONTHLY MAGAZINE DEVOTED TO THE CREDIT UNION MOVEMENT

FUNDS COMING IN FOR FILENE MEMORIAL

SINCE the last issue of the BRIDGE several important things have happened. First and foremost, our committee wishes to report that our campaign is producing results, and that the money is coming in. It is evident that many credit unions took action on their gift at their annual meeting. All of this has helped a great deal.

In the second place our committee has voted to concentrate their efforts on about two states at a time and it is the plan to work hard in Illinois and Ohio in order to complete the solicitation of pledges and see what can be done. We need to do a careful and thorough job and that is impossible if we are trying to cover too much territory at one time. Credit union leaders generally believe that this is a better plan. In this way the representatives of the Organization and Contact Department can assist local chairmen by attending chapter meetings and speaking on the subject of the campaign.

In the third place, our members are catching the spirit of the campaign. They are realizing that they are doing more than making a donation. They are indeed expressing their gratitude and appreciation for what Mr. Filene has done for our movement and are helping to build a greater future for our National Association. It would be unfair to deny them this privilege.

High Lights of the Campaign

Certain individuals and credit unions have shown a fine spirit of loyalty to this campaign. We are certain their example will be of great help to chairmen and solicitors in securing pledges. Here is what they have done.

By
**CLAUDE E.
CLARKE**



The members of the Oscar Meyer Employees Credit Union at Madison, Wisconsin, gave \$723.00 and the credit union itself gave \$100.00, making a total of \$823.00 from this organization.

The Keating Garment Employees Credit Union of Decatur, Illinois, with 54 members and \$323.00 in assets and the factory shut down for several months, raised \$25.00 by the sale of Christmas cards. The members themselves will participate also.

The Wabash Railroad Employees Credit Union of Decatur, Illinois, made an organization pledge of \$600.00.

Out of their undivided earnings, totaling \$290.00, the Akron Telephone Employees Credit Union made a pledge of \$100.00 and the members are also responding with a fine spirit.

The Detroit Postal Employees Credit Union at a recent meeting voted to give \$1.00 per member for their 2500 members. This is a great gift and is typical of the spirit of this credit union.

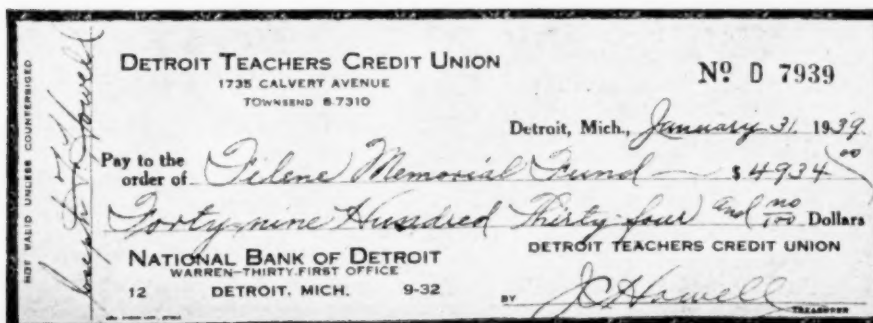
Mr. A. J. Alt, treasurer of the Federal Employees Credit Union of Gary, Indiana, reports six pledges representing every member of his family. Mr. Alt

writes: "I want my boys and girls to visit Filene House some day and feel proud of the fact that in a small way they helped to build it." In this statement Mr. Alt speaks for a multitude of credit union members who have pride in their credit union and wish to support it in every way.

A check has just arrived from the Dornora, Pennsylvania Wire Works Employees Federal Credit Union, in the sum of \$233.00. Frank Tokay, National Director from Pennsylvania, is treasurer of this credit union. The check represents the paid pledges of 218 members. Thirteen of these pledges were for more than \$1.00, five for less than \$1.00, and two hundred were for \$1.00. The list of donors represented nearly every nationality under the sun but every man wanted to do his bit. The task of securing pledges throughout a steel plant is not an easy one and we certainly appreciate these gifts and the fine work of Mr. Tokay and his committee.

The Detroit Teachers Credit Union has always been one of the most loyal supporters of Cuna and of the Michigan Credit Union League. This credit union has again shown the way through their support of the Filene Memorial Fund. At their annual meeting the members discussed their participation in the campaign and voted to give \$1.00 a member for their 4934 members. This is by far the largest pledge to date and will go far to encourage generous pledging by other credit unions.

All of these incidents are most encouraging since they indicate the way credit unions and their members really feel toward this enterprise. We are certain we shall have even more encouraging news in the April issue.



This check from the Detroit Teachers Credit Union is the largest single contribution to Filene Memorial Fund, so far.

WHAT THEY SAY ABOUT THE BRIDGE

These are just a sample of the many fine letters being received daily from credit union people from all sections of the United States commenting on the new Bridge. They are, indeed, encouraging.

FROM BOSTON, MASS.

"On behalf of our Board of Directors, I wish to take this opportunity to congratulate you on the improved BRIDGE."

J. F. HEGARTY, *Treas.,
Sears' Employees Credit Union.*

* * *

FROM BOSTON, MASS.

"Congratulations on the new BRIDGE. It is full of interesting material. I like it."

RALPH MAGGS, *Editor,
The Pioneer.*

* * *

FROM FITCHBURG, MASS.

"Enclosed you will find our check for \$100.00 in payment of 100 subscriptions to the BRIDGE. I am sure the BRIDGE is going to be satisfactory as it now is. I particularly like the idea that the entire magazine will be devoted to credit union material."

JOHN SUOMINEN, *Treas.,
Workers' Credit Union.*

* * *

FROM ST. PAUL, MINN.

"I have received the first copy of BRIDGE issued under your editorship. It looks very good and I wish to compliment you. I must say that its content is very much more to the point as far as the credit union movement is concerned than was the old BRIDGE."

GEORGE W. JACOBSON, *Director,
Minnesota Credit Union League.*

* * *

FROM ST. PAUL, MINN.

"The BRIDGE in its new form and with its change of purpose was delivered to me this morning and I wish to congratulate you and the members of the committee. The purpose of the BRIDGE should be entirely one of information to its members, bringing to them inspiration from knowledge of what other organizations are doing, and should be devoted only to that purpose. I have felt that the program of the old BRIDGE was entirely too general."

FLORA F. SMALLEY, *President,
Federation of Women Teachers Credit Union.*

* * *

FROM WASHINGTON, D. C.

"I was waiting to see the first copy of the new BRIDGE before making any comment. I must now say that I was very much pleased with your first issue and I assure you that I shall do all I can to

help you put the BRIDGE over in a fine way."

A. W. THOMAS, *President,
District of Columbia Credit Union
League.*

* * *

FROM CHICAGO, ILL.

"May I in the name of the North Division Plant Employees Credit Union congratulate you on the new BRIDGE. The general improvement in the style of the magazine has impressed us so much that at our last meeting we decided not only to subscribe for the board members as we have done in the past, but also to get extra copies and place them in the club rooms of the offices in our division where we hope that a number of people will benefit by reading the BRIDGE."

"We feel that the increase in price is negligible compared with the knowledge and useful information contained in the magazine and we are glad to do our part in helping you and your associates to continue the good work. Enclosed you will find check for \$35.00 for thirty-five subscriptions to the BRIDGE."

I. MILLER, *Treasurer,
North Division Plant Employees Credit Union.*

* * *

FROM CHICAGO, ILL.

"Enclosed you will find check for \$65.00 for 65 subscriptions to the BRIDGE. May we congratulate you on the great success of the first issue of the new BRIDGE. We have been wishing for a credit union magazine that is a magazine for credit union people and we feel that you have made it one."

IDA AMMON, *Secretary,
Chicago Public Library Employees
Credit Union.*

* * *

FROM PALO ALTO, CALIFORNIA

"May I compliment you and the BRIDGE committee on the new life of the magazine. It is the first number which I have found interesting. Make it as cheap in production as you please, provided you can make the subject matter as helpful as in this number."

KATHARINE W. TREAT.

* * *

FROM WINNEBAGO, WISCONSIN

"I read the first issue of the new BRIDGE with deep satisfaction and appreciation. The BRIDGE in its present form is truly a credit union magazine containing material of interest to credit union

people. Its articles on credit union membership in central organizations in states like Illinois, Ohio, Michigan, Minnesota and New York contain food for thought for credit unions that are not supporting the movement."

H. J. SOULE, *Director,
Wisconsin Credit Union League.*

* * *

FROM SPRINGFIELD, MISSOURI

"The December-January issue was the best BRIDGE ever turned out. One magazine every other month is O.K. if you give us credit union news. At our last board meeting and at annual meeting, members carried copies of new BRIDGE to quote what it said. If you would try to give us an all story magazine, colored pictures, etc., who would bring it to a board meeting? Give us credit union news!"

O. H. BOEHM.

* * *

FROM YOUNGSTOWN, OHIO

"I want to congratulate you on the new BRIDGE. The magazine is now just what I have thought it should be all along. This one issue has more meat in it than all the other six issues that I'd seen before. For example: '1938 Progress,' and 'Money's Worth' in the New York League news section. That will be a handy article to have around. That's the sort of stuff that I, at least, like. Keep it up."

CHARLES C. THROOP.

* * *

FROM PORTLAND, OREGON

"The first issue of the new BRIDGE was a good one. For the first time we have had comments from members who state that this really seems more like a magazine, and these comments were unsolicited. I especially like the information regarding other states and what is happening in their leagues and credit unions."

HUGH G. STOUT, *Managing Director,
Oregon Mutual Credit League.*

* * *

FROM NEW YORK CITY

"I have just received my copy of the December-January issue of the BRIDGE and hasten to write a complimentary line. Splendid job—way beyond my expectations. All the material is something which should appeal to the credit union people generally."

WILLIAM REID, *President,
New York State Credit Union League.*

THE BRIDGE—March, 1939

COMING BACK STRONG

By JONATHAN R. JOHNS

Editor's Note: *There is grave danger in setting up an organization to carry on the functions of a credit union unless it is incorporated under either State or Federal law. Such an organization set up "outside" the law is not limited in its scope of operation and has no official supervision. The employees of the Post Office at Oklahoma City, Okla., have found this to be true. After two bitter experiences that would have completely discouraged and demoralized most groups, they have kept their "chins up" and are coming back strong. The following article by Mr. Johns, chairman of the Educational Committee of the Oklahoma City Postal Federal Credit Union, emphasizes the necessity of proper supervision of credit unions.*

I HAVE been asked upon several occasions, by our president, W. M. Short, of the Oklahoma City Postal Federal Credit Union, to write a review of our accomplishments in the face of some unusual problems in order that others may benefit by our experience.

No one can appreciate the growth of our own credit union as well as I, in view of the fact we founded it upon the remains of two successive embezzlement crashes. On May 15, 1937 with the help of a Federal organizer we organized the Oklahoma City Postal Federal Credit Union, with ten charter members plus assets of \$245.00 and a lot of nerve.

In comparison with the old type credit unions that were neither chartered under the State nor Federal credit union laws, we were operating very loosely, and had been successful apparently until one morning we woke up to find "no eggs in the basket," and a treasurer that was bonded for a small amount. The second attempt to reorganize followed shortly after the bonding company paid the former treasurer's bond off. It wasn't long until many of my friends and other had built up their "stock accounts" to \$2000.00. At one annual meeting an 8% dividend was declared and paid. We enjoyed this success a number of years but a number of things were eating away at the very core of our credit union. For example, in our office which has a potential number of share holders of 500, every one knows most every body else and consequently when one of the boys desired to negotiate for a loan, the matter of signatures came easy, and with little investigation on the part of the "credit committee."

For example, John Doe would borrow \$400.00 and get his three signatures from A, B, and C. These signatures would be signed under any condition or place irrespective of any verification as is required under the rules of the Federal set

up. This habit developed further into a worse habit of what is known as the "exchange of signatures" on notes. Now when A, B, or C wanted \$500.00, each in turn would solicit each other or the original borrower and obtain the necessary signatures (some call it signature "collateral") until it was quite common to find that a mere handful of signatures

*God give us men. The time demands
Strong minds, great hearts, true faith,
and willing hands;*

*Men whom the lust of office does not
kill;*

*Men whom the spoils of office cannot
buy;*

Men who possess opinions and a will;

*Men who have honor; men who will not
lie;*

*Men who can stand before a demagogue
And stem his treacherous flatteries with-
out winking;*

*Tall men, sun-crowned, who live above
the fog*

In public duty and in private thinking.

—JOSIAH GILBERT HOLLAND.

(all of a common clique usually) were responsible for some \$3,500.00 in notes. To the board or checking department these were often spoken of as "good scouts," or "he's o. k." and let it go at that. The board and others equally responsible adopted the lazy habit of "let George do it" when it came to checking and auditing the books at "the close of the year," by refusing to call in an expert auditor (it would cost too much). Too often local talent was used for this purpose and woe is this! One morning we woke up to find that one of the "heavy and perpetual borrowers" had skipped some where up north. Then the problem arose of collection from the co-signers. Some of the co-signers declared most convincingly, "that isn't my signature" and that was another case for the courts to work on and a lot of time wasted. I am indeed proud of the Federal idea of witnessing a signature. Why didn't some one think of this sooner?

Our credit union was riding the crest of prosperity. There was much installment buying and little paying and everybody seemed to be keeping up with the proverbial Jones's until ZINGO and another embezzlement loomed up far greater than the previous and with

\$43,000.00 in funds missing. Again the treasurer was bonded for a meager amount of \$5,000.00. Everybody blamed everybody else and there was much sorrow and gnashing of teeth for days to come. I am not interested in the fact that the treasurer was convicted and sent to prison as I am in steering others around a similar incident. I personally had experienced some of the boys getting delinquent on their notes (get this) during my days as a co-signer with every Tom, Dick, and Harry. While others were enjoying their nightly snooze I was doing a lot of worrying, "if the officials should crack down" just where would I be? Some of the boys adopted the attitude of "we're federal employees and they can't garnishee our wages" therefore let the co-signers suffer and who cares! Again I am highly elated at this writing that the new by-laws as amended gives the board the power to start immediate proceedings in case of delinquency, if it sees fit.

Now then there was a crisis again and the problem loomed up, "Would we be able to reorganize again in the face of all this?" On the one side were those that were in white heat who had lost their savings and on the other those "immunized from attack" whose signatures were so intermingled as to present a case of hopeless collection even in court, and in between the two elements were those needing honest help the most and were forced to patronize the high-rate lenders.

As I have previously stated we organized again in the face of all this on a capital of \$245.00 under the Federal set up on May 15, 1937. Slowly and surely all committees and boards and officers put the house of credit in order. The Educational Committee issued a series of pamphlets in mimeographed form expounding the virtues of the new, in comparison with the old. The talk started rolling and soon investors started coming our way until at this writing (January 31, 1939) I can make you a report that we are proud of. We have reached \$6,048.38 in assets, 137 share holders, 101 loans made to date, 22 loans have been repaid, 89 loans outstanding and at the close of the year show a small undivided profit on the books. The finest boost we received was when the Cuna Mutual Society paid two claims, one for \$200.00 and another for \$20.00. This caused the would-be-doubtful investor to have further faith in the union.

A word to other Educational Com-

mittees concerning our part in the re-organization program and I will close. Mr. C. R. Orchard of Washington, D. C. sent us some samples, recently, from other credit unions. Of all the samples sent us we have definitely adopted the pamphlet that is used by the Tennessee Biscuit Company as our model paper. It is a one-sheet pamphlet the size of a typewritten page (standard) and folded cross wise, thus making a small four-page

pamphlet. The joy of this is it requires no clips and only two sheets of stencil at the most. The total cost of running 300 copies is about \$1.10.

I am delighted to add that with W. M. Short and V. M. Tebow being returned to the position of president and treasurer respectively that we are going places in 1939, for they have worked untiringly during the early history of our credit union.

OUR FIGHT AGAINST USURY

By JAMES W. BROWN

EVERY nation in the world in every era of progress has had to deal with the problem of unscrupulous money lending practices. Laws have been passed to prohibit or regulate this social evil, but with no great amount of success. If statutes are written on the law books, usury goes underground and operates in spite of the law, or by the clever use of devices like broker charges, etc., cunningly manage to evade the purpose of the law.

It is the most difficult social problem upon which to make a frontal attack. Unlike other social evils a strong crusade is apt to bring little results. For instance to fill the BRIDGE with red hot articles attacking the viciousness of usury and fill the pages with pitiful stories of its victims would not help our fight very much.

One big business bureau in a western city got out a 12 page booklet calling attention to the great social significance of the small loan question, giving startling illustrations of loan ads where the interest rate ran as high as 130 to 270%.

A very significant statement in the booklet reads as follows: "Protection against the unscrupulous money lender for the honest but poor man without credit as a good objective, but it will not be reached by putting the loan shark out of business unless loans at lesser rates of interest are made available." An editorial on the financial page of a newspaper voiced the same idea in the following sentence: "Competition has done more to lower interest rates than all the laws combined."

It is in this way the credit union is probably doing the greatest good in our fight against usury. From the minute a charter is granted to a credit union it becomes an active competitor to the high rate money lender. The more credit unions organized, the greater the competition and funds used for this purpose are truly well spent. Also we cannot forget the greater competition we offer, the

greater wrath we bring down on our heads from the loan sharks. It cannot be expected that they will allow their highly profitable business destroyed without trying to obtain legislation against us. So this is an excellent reason for alert Chapters, State Leagues and a National Association.

We have a recent development which I believe will help us in our fight. Under the pressure of huge deposits of idle money many banks are making small personal loans. The entry of banks into this loan field has no doubt brought a tremendous saving of interest charges to the public using their service. The bank interest rate is about the same as the credit union and we are glad to see this institution interested in the small personal loan business. In most places we have no competition with banks as we generally serve different groups and wherever there is competition it is of the most friendly nature.

However, it is sometimes odd to notice the impression of outsiders not thoroughly familiar with the credit union movement. In a criticism of credit unions one political official made the following remark: "I wonder whether we employers should allow our employees to compete with legitimate business. The men who heads these credit unions have no banking experience."

Let honesty be as the breath of thy soul, and never forget to have a penny when all thy expenses are paid; then shalt thou reach the point and happiness and independence shall be thy shield and buckler, thy helmet and crown; then shall thy soul walk upright nor stoop to the silken wretch because he hath riches, nor pocket an abuse because the hand which offers it wears a ring set with diamonds.

—FRANKLIN.

This criticism could be easily answered. Probably as high as 90% of the borrowers in credit unions have no bank standing or credit and represent risks the banks feel they cannot take. On the other hand the credit union with a loan committee that has or can obtain first hand knowledge of the risk hazard of the borrower can handle such loan applications. However, many workers not in closely knitted groups required for a successful credit union set-up, are in a position to furnish proper security to the bank for small personal loans and we are pleased to see their needs taken care of at the same fair rate of interest charged by the credit unions.

It is possible for the banks and credit unions to operate side by side in the personal loan business and by their combined competition help drive out the unscrupulous "salary buyers" and high rate lenders. This competition supplemented by intelligent legislation should do the trick. Legislation should be encouraged. Because it has failed in the past is no reason to give it up, but more intelligence should be used to pass usury laws that will be workable.

Sometimes we are apt to forget the fact, but in addition to conducting a great business, the credit unions are also in a crusade against a great social evil.

* * *

Appoint Regional Managing Director in Fla.-Ga.

James R. DeLay, of Atlanta, was appointed managing director of the Florida-Georgia Regional Credit Union Association at a meeting of the executive committee there on Jan. 15. DeLay took up his new duties Feb. 1, and will devote full time to promoting the credit union movement in the two states.

DeLay is an old-timer in credit union work. He helped organize the Atlanta Western Union Credit Union in 1928, served as treasurer and director and saw it attain a membership of 300 with \$16,000 capital before it was forced to liquidate on account of Western Union reducing its personnel to a skeleton force.

For five years, DeLay has been with the Fiscal Agency and Securities Department of the Atlanta Federal Reserve Bank. He is a graduate of the Atlanta Law School and has taken a series of courses with the American Institute of Banking. He passed the civil service examination in May, 1935, for Federal Assistant Credit Union Investigator.

H. M. Rhodes, representing the National Association, worked with DeLay during month of February. They contacted units in Atlanta and nearby cities. Later, DeLay will establish headquarters in Jacksonville, Fla.

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Where there's a will there's always a bunch of poor relatives.

THE BRIDGE — March, 1939

What About It?

Readers are invited to Submit Questions on any Credit Union Problems and also to give us your frank reaction on the answers, whether you agree or disagree with the Editor.

By TOM DOIG

First Question (From Nova Scotia). Our annual meeting declared a dividend. All our members are leaving their dividends in the credit union funds, and we are adding them to the share capital. Here is our difficulty. When no money is actually paid out of the credit union funds, is it correct to show the amount of dividends as a debit in Cash Disbursement & Journal (form B) and as a disbursement on the Cash Report of the monthly financial statement?

Answer. No. When dividends are credited to the member's account and not paid in cash the amount of dividend paid should not be shown as a disbursement in the Cash Report. The only transactions shown in the Cash Report are those in which cash has actually been received or disbursed. The entry mentioned could and should be shown in the Cash Disbursement Journal as a Journal entry debiting Dividends or Undivided Earnings and crediting shares. When making this entry in the Cash Disbursement Journal use the Miscellaneous Column for both the Debit and Credit. The best method would be to show the following entries in the Cash Disbursement Journal:

Debit Undivided Earnings—Credit Dividends Paid

Debit Dividends Paid—Credit Shares
Carry these entries from the Journal into the Control Ledger.

* * *

Second Question (From Minnesota). When a member has completely paid for the number of shares to which he originally subscribed and pays an additional amount insufficient to pay for one complete share, does he automatically subscribe for an additional share?

Answer. Yes. We hope, in the credit union, that the member will forget all about the word "shares." That word simply designates a unit upon which dividends are paid. A credit union is a cooperative savings organization in which its members may save small amounts at regular intervals. The member should save continuously until he has accumulated the maximum amount permitted.

* * *

Third Question (From California). What is the best procedure for checks when the president and vice-president of

RICHES OF THE WORLD

There is no wealth but life. Life, including all its powers of love, of joy, and of admiration. That country is the richest which nourishes the greatest number of noble and happy human beings; that man is richest who, having perfected the functions of his own life to the utmost, has also the widest helpful influence, both personal and by means of his possessions, over the lives of others.

—JOHN RUSKIN.

a credit union are out of town and checks must be issued by the credit union?

Answer. It is customary for a credit union to place on record with its bank of deposit the names and signature of three of its officers, and two of these signatures on a check to be honored. If the signature of the president, vice-president and treasurer are on file with the bank and the president is absent, the vice-president and treasurer would sign the check. If both the president and treasurer are absent the board of directors might designate the secretary as a fourth person to sign checks and his name could also be put on record with the bank. The bank, of course, would probably require a certified copy of the resolution, which had been written into the minutes of a meeting of the board, designating the secretary as the fourth signatory.

* * *

Fourth Question (From Louisiana). When a member of our Federal credit union applied for an emergency loan, two of the credit committee members were out of town, leaving only one member to consider the application. How should a case like this be handled?

Answer. According to Article XIX, Section 4, of the Federal by-laws, this application could have been easily taken care of by the board of directors appointing two other members of the credit union to act temporarily in the place of the absent credit committee members.

Fifth Question (From Texas). In defining the field of membership of Federal credit unions, the term "members of the immediate family" is sometimes used. Just what persons does the "immediate family" include?

Answer. It has been held to include an individual having the relationship with the member of grandparent, parent, husband, wife, child, grandchild, brother, or sister. However in order to be considered a member of the immediate family such individual must live under the same roof with the family.

* * *

Sixth Question (From Minnesota). What matters should be properly covered in writing of the minutes of a regular monthly meeting of the board of directors of a credit union?

Answer. The minutes covering a regular monthly meeting of the board of directors of a credit union should at least set forth the following:

Meeting called to order: The minutes should show the name of the officer who called the meeting to order and the exact time and date at which the meeting was called to order.

Roll call of directors: The minutes should list the names of all directors present.

Minutes of last meeting: The minutes of the previous meeting should be read and either accepted, altered, or rejected by motion of the board.

Applications for membership: A list of the names of all applicants for membership should be written into the minutes with a statement that by proper motion the applicants were accepted as members or rejected.

Treasurer's report: After the treasurer's report is read any important discussion concerning the report should be written into the minutes and finally a motion written showing what disposition it was decided to make of the report.

Old business.

New business.

Motion to adjourn.

* * *

Seventh Question (From New Jersey). Does a credit union receive a special discount if it pays for supplies purchased from the Cuna Supply Coopera-

tive within thirty days after receipt?

Answer. No. A discount of 20% from the retail price is permitted to each credit union affiliated directly or indirectly with the Credit Union National Association. No other discounts are allowed. We hope that credit unions will bear in mind that the Cuna Supply Cooperative has started doing business with very slight capital and that if one credit union delays payment for its supplies, it simply makes it that much more difficult to extend credit to another. Let us help to build the Supply Cooperative by remitting promptly for all supplies purchased. This, of course, would help us in the future to reduce prices still further, as credit is always costly.

* * *

Eighth Question (From Kansas). Should the interest rate on a straight loan be less than on a reducing loan? If, for example, a member borrows \$100 for ten months, with no payments on account, should he be charged 1% a

month on balances? Should credit unions encourage loans to run for ten months without payments on account?

Answer. The interest rate on all loans of a similar class made by a Credit Union should be the same regardless of the size of the loan or terms of repayment. Insofar as possible a Credit Union should avoid making a loan with the understanding that it will be repaid in a lump sum at the close of a period. If such a loan is made, the borrower should be charged 1% per month. The Credit Union owes a great deal of its safety to the fact that loans are always repaid in small, frequent, regular installments. Credit unions should avoid wherever possible loans running for a period of time without paying on account. Some credit unions, of course (credit unions serving farmers, for example), must make this type of loan. If the borrower has a regular wage or income, the loan should be repaid in installments.

BULLETIN BUILDS MEMBERSHIP

PROGRESSIVE credit unions find that well prepared bulletins are very effective in building up membership. The following bulletin was recently issued by George F. Lamb, Treasurer, Hamilton Ohio Public School Employees Federal Credit Union and brought in many new members and it is printed in the hope that it will be helpful to other credit unions.

"Employees of the Board of Education:

"Do you know that some of your fellow workers and school friends in and about Hamilton are operating a thriving business with a capital of more than four thousand dollars? That the dividend they will receive this year, although conservative, is considerably in excess of that paid by banks and building and loans?

"Undoubtedly the very type of service this business offers accounts for its steady, healthy growth, even during the past year when business in general was on the ebb.

"Yes, indeed! The ninety-five members of the Hamilton School Credit Union will receive this year a generous return.

"But that's only half the story. Here's the rest: The request for loans has been overwhelming; the fact is, that last summer the Union actually borrowed \$900 from the bank to meet these requests. And at present \$4160 is being used by borrowers, by discriminating borrowers who realize that the Union's rate of interest is considerably below the rates of other reputable lending agencies.

"The indifferent, even the prejudiced, must recognize that the Credit Union is prospering; that it must, therefore, be

satisfying a vital need. It is. And it will continue to grow and prosper; for in these days it's a lousy business that has demands which exceed the available supply.

"But let's not mince words! New members and more funds are badly needed—now. Here, briefly, is the plan:

"The Hamilton School Credit Union is only one of 7500 separately managed, but Federally and State examined, credit unions in the United States. Each of the 95 local members has bought one or more shares (at \$5 a share). The money, now totaling \$4160, is taken care of by a bonded treasurer and loaned to members at 1 per cent a month for any bona fide purpose—purchases, medical expenses, consolidation of small debts, and so forth. This not only enables a member to borrow at a reasonable rate, in strict confidence, and from the common fund of sympathetic, understanding co-workers, but it returns to the members a handsome yearly dividend. Of course, such borrowers are severely urged to keep their payments up to date, but that is only a part of sound administration. That accounts for the Hamilton Union's record—not one cent lost on a bad loan. Incidentally, of all 7500 credit unions in the country, the average loss on loans is about 17/100 of 1 per cent; and in investment and loan work isn't that safety plus?

"Truly this is a unique opportunity to invest wisely, to prepare providently for uncertain needs, and to help your fellow workers do the same.

"Why not contact the local Hamilton treasurer at 548 Prytania, Tel. 3634-J, at

his home, or any of the officers of the Union and get the facts. Remember; get the true, unbiased facts!

"Better still, if you're acquainted with the plan, decide right now—today—to buy one share next pay day—just one share, mind you. The rest may confidently be left to your judgment and enthusiasm. We'll all benefit! What do you say?

Sincerely yours,

GEO. F. LAMB, *Secretary-Treasurer*

"P.S. For your convenience, as a prospective new member, I have attached to this bulletin a membership card. Fill it out and see the treasurer at the Board of Education office today. At other times than on pay days contact him at his home, or by telephone. Remember the magic of compound interest—a dollar will double itself in eleven years at 6%—a dollar will double itself in fifteen years at 5%, etc. Do you have any unpaid bills that are haunting you? Better get a loan from us and close them all up—pay us back regularly by any method you choose—we can spread your payments over any number of months up to two years—with no payments during summer vacation."

* * *

ALL IN A DAY'S WORK

On a hot and sultry afternoon in August a New Jersey credit union treasurer is wiping his brow with one hand and making entries in his ledger with the other when the telephone at his elbow rings and the following conversation takes place:

"Western Union calling. We have a telegram for you, shall I read it?"

"Yes."

"Seattle, Washington. Am injured. Must come home at once. Wire me \$200.00. Signed"

Here was one of the credit union's members, 3000 miles from home, with only his credit union to help him in his hour of need.

This is a teacher's credit union, with its membership vacationing all over the world each summer. Anticipating such calls, and this was not the first one, the treasurer had a standing agreement with the Western Union to accept his checks at any time.

Within fifteen minutes of the receipt of the telephone call he was in the telegraph office with his check, and the money was forwarded immediately.

When he got back to work again the heat did not seem quite so oppressive and the drops fell on the ledger unnoticed.

After this member reached home one of his first calls was to the credit union office. He stated that he had suffered an automobile accident and had been taken to a doctor's office. He sent his telegram from there and received the money before he left the doctor's office.

It's all in a day's work.

Shakespeare On The Credit Union

By Arthus G. Skeeles

The following verses were read by Mr.
Skeeles at the Annual Meeting of the Colum-
bus (Ohio) Teachers Federal Credit Union.

Polonius told Laertes once, that he
Should neither borrow cash, nor lend;
Lest borrowing dull the edge of husbandry,
Or lending lose both what is lent, and friend.

That may have been best back in Shakespeare's day,
For we seem to recall that the gallants gay
Were sometimes slow about repaying
When they had borrowed to aid their gay-ing;
But certainly today we often need to
Disregard this advice that Laertes gave heed to,
Because of some unexpected emergency
When cash must be had with extra urgency;
And besides, when Polonius this was telling
There wasn't any installment selling.

Today, right here in Columbus, the masses
Are divided into Borrowing and Lending classes;
And the latter class provides the former
With food to eat, and clothes to keep them warmer.

But everyone can save at least a dollar,
And everyone has need at times to holler
For help to meet some unexpected crisis
When he can't follow old Polonius' advices.
And that is where the Credit Union comes in;
It is a place where each one puts small sums in
A common fund, from which as he may need it
Each one may borrow, or receive some credit;
Thus each in turn becomes a saver and a spender—
A borrower sometimes, and then a lender.

A Credit Union must have members many
Who each has saved an else-forgotten penny;
Better a hundred men, with ragged clothes, and each
five dollars,
Than ten, with fifty dollars each, and clean white collars;
A Credit Union needs, though it does sound funny,
Members who have money, but who still need money.

This is the argument of our defenders:
Our members are not merely borrowers, nor merely
lenders;
Not merely lending for the sake of gain,

Or borrowing cheap to save themselves from pain;
But thrifty savers, pooling their resources
To meet the sudden thrust of adverse forces,
And borrowing when they must, to meet demands
That come to all, at times, from many hands;
Learning two things: To save a part of what one gets,
And then to spend and not be swamped with debts.

A Credit Union is not a group of fortunate lenders
Providing funds for improvident spenders;
Not merely a place where those who go a-borrowing
May get their money without too much sorrowing;
But a group of intelligent, average men and women
Learning to do what until now only a few men
Have been able to learn—to manage their money
So that life may be glad, and old age sunny;
That we may follow Shakespeare's word, and not be
lenders

Merely, nor merely borrowers; neither misers cold, nor
spenders;

Providing funds against the age of sixty-five
(If we be then alive)

And helping all of us to meet each urgent need
Without falling victims to a money-lender's greed.
And so we earn and save, invest and borrow,
That we may make provision for the morrow,
Borrowing "For some productive and provident pur-
pose,"

That we may 'scape the motives that otherwise might
usurp us.

You members should tell others what our Credit Union
is,

And how its benefits may be hers (or his);
For when the members of our fine school system
Become acquainted with the facts, they can't resist 'em;
And as we bring in more and still more members
We help to pile still higher the glowing embers
Of this co-operative thrift association
Which helps in each financial situation
By giving heat to soften present money tangles,
And shedding light on future problems' angles;
Remembering the motto which should nerve us,
"Not for Charity, not for Profit, but for SERVICE."

FEDERAL SECTION



NEWS of the CREDIT UNION SECTION, FARM CREDIT ADMINISTRATION

Bylaws

Having studied the new bylaws and found them good, Federal credit unions everywhere have taken steps to substitute them for the old. Well over two-thirds of the active Federal credit unions took action at their annual meetings to adopt them, and even where no action was taken the reason in nearly all cases was something other than disapproval. Quite apparently it will be only a matter of time before practically all Federal credit unions will be operating under the new provisions.

* * *

Educational

Have you a good live educational committee around your credit union home? If not it might be well to acquire one or you may soon find your credit union out of date.

An informal census taken by the Credit Union Section shows a surprisingly large number of such committees among Federal credit unions. On the basis of returns so far received it is estimated that one-third of the active Federal credit unions, or between 900 and 1,000, now have educational committees, and the number is steadily growing.

Activities of these committees are widely varied, but are directed toward the same two-fold objective, the task of building up the credit union by calling the attention of eligible nonmembers to its worth, and that of arousing the interest of credit union members and keeping them informed about the services available to them.

Mediums used are also varied. Educational committees are showing a lot of ingenuity in accomplishing their ends—and are having not a little fun in carrying out their ideas. The simplest and most-used medium is the home-made mimeographed circular, developing into

a house organ when issued regularly. The Membership Relations unit of the Credit Union Section has collected a large assortment of these circulars, but it would like to have more, and will welcome samples of such literature from either Federal or state-chartered credit unions.

* * *

Questionnaire

The Credit Union Section needs information about the employment of credit union funds and the extent to which credit unions borrow. So it is asking the ones who have it, the credit unions themselves.

A questionnaire has been sent out to more than 7,500 credit unions, Federal and state, asking for figures of credit union borrowing, lending, and investment during the past year. The resulting information will be compiled and used in the shaping of measures designed to benefit all credit unions, whether under Federal or state charter.

On the rare occasions in the past when questionnaires have been sent out by the Credit Union Section the response has been most generous and prompt. The Section is counting confidently on a similar whole-hearted cooperation in the present instance, especially since the questions have been so framed that they will take only a few minutes to answer.

* * *

New FCU's

Applications for Federal credit union charters continue to come in at a satisfactory rate. In the first two months of the year some 70 new credit unions received Federal charters.

The character of the groups which are organizing Federal credit unions continues to show an interesting variety. Railroad, cooperative, parish, hotel, rural community, trade-union, Federal and

State governmental, utility, and miscellaneous industrial groups appear constantly in the lists of new credit unions.

The growing number of organizations to be visited and helped, so far as help may be necessary, has brought a further expansion in the Credit Union Section's field force and a rearrangement of territories assigned to field men. Thirty-four such territories now cover the United States, each including 80 to 100 Federal credit unions.

* * *

Helping Members Plan

A "financial work sheet" for credit union members has been prepared by the Membership Relations unit of the Credit Union Section and is being presented to Federal credit union officers through the pages of COOPERATIVE SAVING. Copies are not distributed by the Section but anyone may reproduce the form who wishes to do so.

The idea back of the form is that credit unions may well encourage and help members to introduce more system and forethought into their personal finances. A working man or woman, particularly one with a family to support, does not solve all his financial problems merely by saving money or by occasional borrowing. The usefulness of such practices may be multiplied if they are part of a well-thought-out long-range plan.

Concerned as it is with the financial welfare of all its members the credit union is in a happy position to promote such planning, and by building up a membership of careful spenders it makes more secure the foundation for its own work. The Membership Relations unit will continue to seek ways and means which it can recommend to credit unions for providing such training to their members.

NEWS OF STATE LEAGUES



Schenectady District Chapter

The Schenectady Chapter recently completed its organization with the election of the following officers—Director, Clifford J. Monette, Schenectady P. O.; President, James McLay, Schenectady Consumers; Vice-President, Fred C. Ewing, Schenectady Teachers; Secretary and Treasurer, Erwin A. Merriman, New York Power & Light. Mr. Perry Harrington of the Eastern New York Credit Union was elected as the fifth member of the Council.

John Gill, the federal representative in this area, recently graced our meeting at the Hotel Van Curler with an explanation of the closing of books and computing dividends for federal credit union.

Plans are being made for the March meeting at which time a large attendance is expected.

The chapter officials on behalf of the Schenectady credit union folks wish to publicly acknowledge their appreciation for the cooperation given by Mr. Gill and Mr. Yates of the Hotel Van Curler.

* * *

Catskill District Chapter

The Cooperative Federal Credit Union at Woodridge, New York, acted as host at our recent chapter meeting, using the facilities of the Cooperative Fire Insurance Company building, with President Sturman presiding. A cordial invitation is extended to all credit unionists having occasion to be in the Catskill Mountain area to pay us a visit and see what can be done through cooperation. Director Zipperman gave a detailed report of the New York League Directors meeting held at the Hotel New Yorker and urged all present to bring their problems to the League office.

Discussions were had on the methods of handling delinquent loans, dividends of credit unions and loan protection insurance.

Director Zipperman also spoke on the Filene Memorial Campaign and the National Association Meeting which is to be held in New York City on May 11, 12, 13. Attention was called to the

"Credit Union Day" at the World's Fair Auditorium on Friday, May 12th.

LEO BUCKSBAUM, Secretary.

* * *

Remember the Dates

Credit Union National Association Meeting, May 11, 12, 13, Hotel New Yorker, New York City.

"Credit Union Day"—World's Fair Auditorium, Friday evening, May 12th.

"Credit Union Jamboree"—Saturday evening, May 13th, Hotel New Yorker; \$3.00 per person.

* * *

Credit Unions Organized

During the months of January and February 14 credit unions were organized. We hope to organize at least 100 credit unions this year. Here are the new credit union babies.

JANUARY

Central New York Power Employees FCU, Syracuse, N. Y.

Francofonte Federal Credit Union, Brooklyn, N. Y.

Harlem Branch Y. M. C. A. FCU, New York City.

I. B. M. Endicott Employees FCU, Endicott, N. Y.

Mural Employees FCU, New York City.

Niagara Falls, N. Y., Central Employees FCU, Niagara Falls, N. Y.

Puerto Rican Employees FCU, New York City.

University Club Employees FCU, New York City.

Wonder No. 8 Federal Credit Union, Brooklyn, N. Y.

FEBRUARY

Arpeako Employees Credit Union, Rochester, N. Y.

Empire Branch 36 National Associa-

tion Letter Carriers Credit Union, New York City.

Hotel Dauphin Federal Credit Union, New York City.

Jolanda Margherita Federal Credit Union, Brooklyn, N. Y.

St. Leonard FCU, Brooklyn, N. Y.

New League Members

We are pleased to welcome the following credit unions to the credit union family:

Buffalo District Chapter

Congregation Anshe Zedek, Buffalo, N. Y.

Buffalo Hebrew Social Club FCU, Buffalo, N. Y.

Capital District Chapter

New York Power & Light Service Building FCU, Albany, N. Y.

Metropolitan District Chapter

Amshenover FCU, New York City.

Dynamic Employees FCU, New York City.

Empire 180th St. FCU, New York City.

Hudson River Teachers, Poughkeepsie, N. Y.

Independent First Pilover, New York City.

Mural Employees FCU, New York City.

Puerto Rican Employees FCU, New York City.

Sheffield Farms, Richmond Hill Division, Long Island, N. Y.

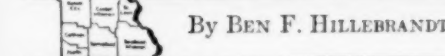
Street Transportation Employees FCU, New York City.

Stuchiner Young Men's FCU, Bronx, N. Y.

Town Taxi FCU, New York City.

Rochester District Chapter

Arpeako Employees Credit Union, Rochester, N. Y.



Board of Directors & Executive Committee Meeting

A meeting of the Executive Committee and Board of Directors was held at Sedalia, Missouri, January 22. Twenty-seven members of the Board were present, including all members of the Executive Committee except one.



A very exhaustive report was made by the Auditing Committee on the finances of the League during 1938. This report showed that expenditures were held down so that they were well under the income.

There was some discussion of legislative matters, but no definite instructions were given to the Legislative Committee.

The matter of automobile insurance was discussed at some length. All types of auto insurance for credit union members at rates below the manual is an additional service for credit union members which has been provided through the work of the League.

The Board spent considerable time in working out a budget for the year 1939. This budget was simply a recommendation to the annual meeting and all credit unions will have an opportunity to express their views on the matter in St. Joseph at the April meeting.

L. A. Pinkney, President of the League and state chairman of the Filene Memorial Building Fund Committee, made an inspiring talk on the fund and the need for every credit union to take an active part in it. He stressed the fact that every member of the credit union would be willing to give to the fund if he understood it fully and therefore it is the duty of the person who has been appointed in the credit union to serve on this committee to do whatever he can to bring this information to the membership. In order for the campaign to be a success it will be necessary for it to extend over many months on account of this educational work.

J. R. Moll, in a short talk, stressed three facts which should be called to the attention of every credit union member in the United States. The first point was that one of the jobs of the League is "To improve credit union operating methods." The League should not only organize credit unions, but enable those that are operating to work to the best advantage.

The second point was to have every chapter meeting with a definite objective. Too many of these meetings do not have any specific matter to bring before the members and as a result they are uninteresting and poorly attended. Credit union people attend chapter meetings in order to learn more about credit union work and therefore every chapter meeting should have as a primary objective the discussion of some credit union operating problems.

The third point had to do with the legislative matters. If every member of the House and Senate were personally acquainted with the operation of some good credit union there would probably be no danger whatever of any adverse legislation. Therefore every credit union member should feel it his duty to become

acquainted with the legislators and educate them about his credit union.

The meeting in Sedalia was a very fine one and the weather was unusually good.

Supervisory Committees

The State Department reports that in some credit unions the Supervisory Committees are not functioning. This committee is a very important one and should make a careful check of the books at least every three months. No difference how well the members of the Supervisory Committee know the treasurer they should feel that it is their duty to make such an investigation that they can of their own knowledge report to the board that the books of the credit union are being properly kept. They should also see that every officer is performing the duties which have been assigned to him in the by-laws.

It is not fair to the treasurer to expect him to handle the work of the other officers or of the credit committee; neither is it fair to the treasurer for him to operate a credit union without an occasional check to be sure that he is doing his work in the best and most efficient manner. All of us are liable to make mistakes and a Supervisory Committee which is operating properly will provide the check that is necessary so that any mistakes that might occur will be corrected promptly.

Does every member of the Board of Directors, credit and supervisory committees receive a copy of the Bridge? The subscription price is \$1.00 per year and your credit union will benefit by having this magazine come to every one who has a part in its operation.

A recent letter from Earl Rentfro tells of the progress which is being made in the Cuna Mutual Society. Your credit union will be rendering an additional service to its members if it provides them with the loan protection and life savings insurance. If you are interested in one or both of these types you should get in touch with the Cuna Mutual Society at Madison, Wisconsin.

One chapter in the state has the distinction of having every credit union in the chapter a member of the League. Gerd Tonjes, President of the Carthage Chapter, should feel especially honored by having achieved this distinction.

St. Louis Chapter

At the January meeting of the St. Louis Chapter officers were elected for 1939. Fred G. Schindler, treasurer, Smith & Davis Employees Credit Union, was elected president. Paul J. Roberts, treasurer, St. Louis Policemen's Credit Union, the retiring president, had a very successful year and the chapter has made

wonderful progress during his term of office.

Kansas City Chapter

The officers of the Kansas City Chapter were elected in December and the new president, Jack O'Sullivan, appointed the committees for 1939 at their January meeting. F. R. Richardson, treasurer, K. C. Post Office Employees Credit Union, was appointed chairman of the committee on "Cooperation with the National Association." Paul Hallam of the Edison Credit Union was made chairman of the committee on "Cooperation with the State League," and H. H. Viets, Stowe Credit Union, chairman of the committee on "Organization." These three chairmen are to fill out their committees.

The principal subject for discussion at the meeting was the new plan of automobile insurance which has been made available for credit union members.

The chapter is very proud of the record that has been made by the Wolf-erman GTTE Credit Union. Every member of the board of directors and credit and supervisory committees was present at the meeting.



WISCONSIN

By AL. F. SHEELEY

CHAPTER NEWS

DURING the past several weeks many of the chapters have held their annual meetings and we have reports at present from the following chapters: Outagamie County Chapter, La Crosse Chapter, and Milwaukee County Chapter.

The Outagamie Chapter held its annual meeting on Tuesday, January 17, at the Parish Hall of the St. Joseph Parish Credit Union, Appleton, Wisconsin. Reports of the officers and directors were heard, followed by the election of officers for the ensuing year. Those elected to office are: Arthur M. Kahler, president; Joseph Dorn, vice-president; Margaret Hinzman, secretary, and Peter J. De Lain, treasurer. Following the meeting a program of entertainment was put on by a member of the St. Joseph Parish Credit Union, and the evening closed with a social hour and refreshments. The next monthly meeting will be held on February 20 at the Kimberly Clark Credit Union, Kimberly, Wisconsin.

On Saturday, February 4, the Milwaukee County Credit Union Association, held its annual meeting and banquet at the Pfister Hotel. Newly elected officers are: Charles P. Emery, president; Walter Gaedke, vice-president; E. C. Kelling, secretary, and Al Kasten,

treasurer. The banquet in the evening was one of the largest of its kind ever held in this country, there being more than eight hundred fifty credit union enthusiasts in attendance. Al Sheeley, the retiring president, proved his worth as a master of ceremonies and introduced the speakers of the evening, Charles P. Emery, the new president; Walter Gaedke, treasurer of the Milwaukee Municipal Credit Union; Tom Doig of the Credit Union National Association, and Carl Zeidler, assistant city attorney, together with many other honored guests. The entertainment program featured a musical trio, Charlie McCarthy's rival, Elmer, and Professor Oakes, inventor, whose many ingenious devices opened the eyes of the members in astonishment.

On February 6 the La Crosse County Chapter held its annual meeting at the Pythian Hall in La Crosse. It was one of the largest chapter meetings since the introduction of credit unions in this community nearly ten years ago. There were about one hundred fifty persons present. The following officers were elected: Harold R. Cram, president; C. J. Knapp, vice-president, and R. H. Topel, secretary-treasurer. Entertainment occupied the group following the meeting. Refreshments were served.

JOHN A. COLBY.

* * *

Wisconsin Credit Union League Honor Roll (Continued)

- 276 Northern Furniture Credit Union, Sheboygan.
- 277 Milwaukee Stamping Co. Credit Union, West Allis.
- 278 Luick South Credit Union, Milwaukee.
- 279 Park Hotel Employees Credit Union, Madison.
- 280 Speed Queen Credit Union, Ripon.
- 281 Kenosha Co-op Credit Union, Kenosha.
- 282 Reiss Credit Union, Sheboygan.
- 283 Marathon Ashland Division Credit Union, Ashland.
- 284 Lodge 2043, B. of R. C. Credit Union, Milwaukee.
- 285 Schuster's Mitchell St. Credit Union, Milwaukee.
- 286 Schuster's Twelfth St. Credit Union, Milwaukee.
- 287 Greendale Credit Union, Greendale.
- 288 Phoenix Chair Credit Union, Sheboygan.
- 289 Schuster's Third St. Credit Union, Milwaukee.
- 290 Taycheedah Credit Union, Taycheedah.
- 291 State Employees Credit Union, Milwaukee.
- 292 La Crosse Postal Credit Union, La Crosse.
- 293 Brewery Workers Credit Union, Jefferson.
- 294 I. L. G. Credit Union, Milwaukee.

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- 295 Barron Credit Union, Barron.
- 296 Our Co-op Credit Union, Shell Lake.
- 297 Barbers Union Local No. 50 Credit Union, Milwaukee.
- 298 Filmco Credit Union, Milwaukee.
- 299 Bloomer Cooperative Credit Union, Bloomer.
- 300 Local No. 257 Credit Union, Madison.
- 301 Manitowoc Municipal Credit Union, Manitowoc.

* * *

A Warning to All Credit Unions

The credit union, as a financial institution, has an enviable record in stability in the industry of Wisconsin. It has come to our attention that a certain small loans company is attempting to cash in on the credit union set-up by offering a supposedly attractive proposition to credit union members at the expense of the credit union and its membership.

We want to warn all credit unions to beware of any tie-up with an outside loan company in any manner whatsoever. Credit unions have been organized to af-

ford their membership with the type of credit and saving facilities necessary for their needs that are unequalled in any other financial institution. Any credit union making a tie-up with any outside financial organization would be breaking down that foundation upon which credit unions were founded and would be merely selling their facilities at the cost of their membership.

In order to safeguard the credit union movement, we would appreciate being contacted whenever any credit union is approached by any outside finance company with a proposition which would necessitate any tie-up between the two organizations. It is our duty to be ever watchful of any attempt of any outside finance company to take advantage of the credit necessities of our people.

NORMAN S. TRACY.

* * *

New Credit Unions Organized

During the past month the following credit unions were organized throughout the state:

- Farmers Equity Union Credit Union, Alma, Wisconsin.
- Farmers Equity Union Credit Union, Boyd, Wisconsin.
- Farmers Equity Union Credit Union, Elroy, Wisconsin.
- Farmers Equity Union Credit Union, Ridgeland, Wisconsin.
- Pepin Farmers Union Credit Union, Pepin, Wisconsin.
- Standard Credit Union, Racine, Wisconsin.

IN MEMORIAM

Called to His Eternal Home
on November 22nd



STEPHEN J. MANGOLD

treasurer of the Thilmany Credit Union, Kaukauna, Wis., also a member of the Wisconsin State Banking Department Committee and a Director of the Outagamie County Chapter Executive Board, together with three other companions, met death by drowning in Turtle Flowage near Mercer, Wisconsin.

To the survivors, his wife and three children, we express our deepest sympathy.



President's Column

Hello Folks:

With our individual credit union annual meetings out of the way, we should begin thinking about the annual meeting of the League. The dates have been definitely set: May 5th, 6th and 7th, at the Hotel Martin in Sioux City. In due time you will receive notice of same, and it is hoped that just because Sioux City is away up in one corner of the State, too many credit unions will feel that they cannot afford to send delegates to this meeting.

Important business is coming up: By-law changes, adoption of budget, and other matters affecting the movement in the State as well as in the nation. Plan to have your credit union represented.

Have you been wondering why we haven't started work of organizing new credit unions? To tell you the truth, we've been waiting for the National to send in some help. But Mr. Vetter hasn't been wasting his time nor that of the League. He has been laying the

groundwork; calling on existing credit unions, helping a few with bookkeeping problems, etc., and in general, making himself acquainted with the work of the League and the office.

Starting today (Feb. 6th), he is starting out on his own to organize credit unions, and if he comes your way give him a hand. If you have any "hot leads" send them to him. He has several, but the more the merrier. Next month we hope to be able to give you the names of some brand new credit unions.

Don't forget the drive for funds for the Filene Memorial Building. We hope to have a good report from all over the State at the time of the annual meeting. I'll be seeing you at Sioux City, I hope. So long until next month.

* * *

Little Stories About the Big Boys

It's no cinch to translate into black and white a life-size story about a fellow like A. Neal Hutchins. Possibly the best-known credit union personage in the State, a way-back-whenner, Neal has watched and nurtured the credit union movement take form and grow to its present stage of accountability.

He has been a teacher of mathematics in the Des Moines public schools for 21 years. Has been a director on the State league since its organization in 1930, and served as its managing director until July, 1938. In his credit union record also are these facts: Credit Committee chairman, Des Moines School District Credit Union; president, First Credit Union of Iowa; director of Credit Union National Association. Neal lives in Des Moines and is the father of two children.

Another veteran of the State league dating back to the time of its organization is W. C. Wooton. He is employed as an adjuster by the Des Moines Electric Light & Gas Co., is secretary-treasurer of the credit union there, and is a member of the credit committee of the First Credit Union of Iowa. Wooton is active in the affairs of the Central Iowa Chapter, and is a member of the only credit union in the State that boasts of two State directors.

* * *

From Sioux City

The Armour Employees Credit Union of Sioux City held our eighth annual meeting at the Armour plant. At the end of the year we had 642 members. During the year we loaned \$72,530.41 and collected \$5,692.11 interest. After paying all expenses we had \$3,230.30 left. We paid a 6 per cent dividend, which amounted to \$2,148.89 and credited

\$646.06 to legal reserve fund and \$435.35 to undivided earnings.

We voted to send \$25.00 to the Filene Memorial fund. We have borrowers' protection insurance on all our loans paid for by the credit union. We also voted to buy 55 subscriptions to the BRIDGE. All the officers will receive it and the balance will be distributed at large to our members. After the meeting all the members enjoyed a Dutch lunch.

All the officers were re-elected as follows: Earl Connors, president; Harry W. Moore, vice-president; Luella Lindgren, treasurer; Steve Yackley, secretary. Three directors for three-year terms: Steve Yackley, Leo Lorenger and Harry W. Moore. Supervisory Committee: Al Johnson, Al Maxiner and Harold Dyer. Credit Committee: John Sailer, Paul Benson and Charles Berger.

Our credit union is a member of the Woodbury County Chapter, the Iowa Credit Union League and the National Association.

EARL CONNORS.

* * *

On to Sioux City!
Remember the 1939 Convention in
Sioux City
Hotel Martin, May 5, 6 and 7

The Smallest Credit Union

Well, we don't want to brag, but we got a hunch that right here in Iowa is that very credit union that Joe DeRamus was asking about in the last issue of the BRIDGE. Joe says comma quote, Some say that a credit union will not operate successfully where the field of membership is less than forty. period and unquote.

The Tribune-Times Employees Credit Union in Ames has a gross membership of just forty thrifty souls. If you subtract from that number the babies who don't even know yet that they are members, the membership simmers down to a mere twenty-nine, and six of those are the wives who are really associate members: an actual net membership of twenty-three.

Too small, Joe? We turn over \$800 every month in loan, share and deposit accounts, pay a 6 per cent dividend every year, make a loan every day, pay our treasurer \$50 a year, buy cooperatively, audit our books monthly, belong to the State league, and have a director on the State board. We are seven years old, and our last balance sheet shows assets of only \$2,800. We are all credit-union-minded, and you couldn't get a single member out with a crowbar.

And if that isn't enough braggage, we'll do more next time. Do we get the prize?

(Well, you take the prize so far.—*The Editor.*)

* * *

Good Old Postcards!

It's just plain, old-fashioned gratitude that makes we dab at the corners of my

eyes with my red bandanna. Emotion has swept me to the very core; you see, I have plead, begged, cajoled, threatened, promised, bribed and coaxed in at least seven languages to get you folks to send in the news from your corner of the credit union world. And there you sat, with your noses in the air, leaving me to pump out of an empty brain (who said heh-heh?) the dope for the credit union mill.

Last month we sent out postcards to a dozen of you, that just dripped with eloquence, in a last desperate effort, to get a response. We got it! And we are mighty happy to print the reports from two credit unions this month.

* * *

A Fine Report from Granger

The Granger Homestead and Parish Credit Union held its annual meeting with President Jack Geneser, presiding.

After regular business we heard a talk from our managing director, Mr. Vetter.

This was followed by a motion of the members present to pay a 6 per cent dividend on all paid-up shares. Our treasurer presented the first dividend check ever paid by this credit union to the youngest member, Norma Jean Kahler, age 10. Then he presented a dividend check to the oldest member, Paul Medici, age 59.

The president asked for any short talks from the floor and the Rev. John Gorman responded by saying that he was reminded of a story of a rooster who was traveling down a certain path when he spied an ostrich egg. He was amazed at the size of it and he hurried back to his flock and asked that all his hens come with him; that he had found something that was of much interest to them. They followed him closely and when they came to the ostrich egg he stopped and told them to be calm. That he didn't want to discourage them. That he only wanted them to see the possibilities ahead. Father Gorman said that reminded him of our credit union. That we should not be discouraged by the larger unions that we read and hear about. Only let them be a guiding star; that we may see what can be done and we have the material here to do it. He also brought out the fact that it is more blessed to give than to receive, and that no one will experience true happiness until he make a sacrifice for some one else. He pointed out that little Norma Jean Kahler should be really happy when she could spot some stock or a good milk cow on the Homestead and think to herself, "Well I helped that fellow to buy that. I helped him and he helps me, for I have my dividend check."

After the meeting was adjourned several of the members called at the desk for their checks and the most of them merely endorsed them and said "Please give me credit for this on another share." This was most gratifying.

THE BRIDGE—March, 1939

We have a different problem from most credit unions. Chiefly we are made up from homesteaders on the Granger Subsistence Homestead. Our annual earnings are low. And while the government has financed a home for us, there are many things that we must buy for ourselves in order to take advantage of our small acres. All this costs money and the most of us do not have the money to buy with. The Granger Homestead and Parish Credit Union has been a God-send to the most of us. If you don't think so ask the fellow who borrows from it.

PAUL McMULLIN.



Management, Labor Unions and Credit Unions

THE letter published herewith was sent some time ago to the State Banking department. Because it was sent with the explicit approval of the Board of Directors of the Michigan Credit Union League, and because it outlines the League's attitude in regard to the matters discussed, it is reproduced herewith:

Re: A B C Credit Union

Dear Mr. N:

This is in reply to your letter of November 9 which raised certain points in connection with the application for a Credit Union charter submitted by us on October 28 in behalf of the proposed A B C Credit Union. Your comment that the report of your examiner, Mr. Wells, "indicates that the officials of the A B C Company really know nothing about the formation of this Credit Union other than that they were asked to give their permission to such formation" suggested that you consider that something further than formal permission is desirable. With this I am personally in agreement. It is in general desirable that in addition to formal permission the officials of corporations should give their personal interest and where possible their enthusiastic support. This is in fact the case in a rather large number of Credit Unions of this type. Two cases in point, to cite at random, are that of the United Steel & Wire Employees' Federal Credit Union of Battle Creek and the Amseco Credit Union of Grand Rapids.

The Credit Union Law, however, very wisely does not require such interest and support on the part of officials of the parent company as a condition for the granting of a charter. Our own State law is unique in that it is the only one in all of the forty-eight States which requires even their formal endorsement. The Federal Credit Union Law does not require even the formal consent of a cor-

poration among whose employees it is proposed to organize a Credit Union. The consequence is that again a rather large number of Credit Unions can be cited which have operated successfully without benefit of even a formal consent, to say nothing of cooperation from the employer. As a matter of fact, at least two are operating—successfully—in Michigan in spite of the refusal of the employer to give his assent. Nevertheless, in at least one case the men themselves deplore this lack of cooperation, although—in common with employee Credit Unions in general—they would not want employer cooperation to develop into employer domination.

You state that Mr. Wells "gathered the idea that the membership actually is to be limited to employees of this company who are members in the Labor Union group and that it is not wide open as to membership to employees and officials of the company." Although, again, there is properly nothing in the Credit Union Law which would prevent such a development and nothing in it which would make suspicion of such a development a satisfactory basis for refusing a charter, nevertheless such a policy on the part of a Labor Union group should be discouraged. Our League has consequently, and for the most part successfully, used its influence to make all employees in a corporation eligible to Credit Union membership. This is specifically provided for in the case of the A B C employees.

If, nevertheless, the Board of Directors of a Credit Union refuses to elect non-labor union members as members of a Credit Union, it would seem that there isn't much that can be done about it, except to hope that as soon as possible such a Board of Directors will be replaced by officials with a broader vision. The Credit Union is not a labor union. It should not be used by C. I. O. Unions, A. F. of L. Unions, M. E. S. A. Unions, Independent Unions, or Company Unions as a vehicle for building up their respective organizations.

In the conclusion of your letter you comment that "it would seem that the successful operation of this type of Credit Union as to actual management would come from members of the office personnel of the company." If by actual management you refer to the individual who is the treasurer-manager, we are again in agreement with you as a matter of general policy. At the same time, it is recognized that in a considerable number of cases successful Credit Union management has come from the work bench as well as the office desk. In the case under consideration it is our understanding that an effort is being made to secure as treasurer, or at least as book-keeper, someone from the office staff of the company. The final determination

of this point in the event a charter is granted will properly rest with the Credit Union members, and more immediately with the Board of Directors, to whom the League will, as it always does, point out the importance of a careful selection of well qualified officers. So far as Directors and Committee Members are concerned, our experience has been that it is desirable to have these groups be, so far as possible, a representative cross section of the entire membership.

We appreciate your conferring with us in regard to this case and providing us with an opportunity for expression of views. We welcome this particularly at this time because in some quarters a feeling is growing that there is a disposition on the part of the Department to prevent or retard a proper development of Credit Unions. I do not share this view. I am personally in agreement, in the case of some proposed new charters, that there is need for more caution not only on the part of the Department, but on the part of our League in encouraging the organization of Credit Unions in certain groups where there is not at least a reasonable opportunity for success.

In order that our people generally may understand the situation, we published in the September issue of "The Michigan Credit Union News" our correspondence with you bearing upon this point under the heading "Credit Union Charters Get Keener Scrutiny." We are enclosing a copy herewith, which also lists the statistical information in regard to the status of Credit Unions which through your kind cooperation we were able to complete. We are also enclosing herewith a copy of the October issue of "The Michigan Credit Union News" in which attention is called to some criticism of the administration of the Federal Credit Union Law which may be of interest to you.

Very truly yours,
KARL W. GUENTHER,
Managing Director.

* * *

New Credit Unions

Charters have been granted to the following Credit Unions:

Ralston Purina Employees, Battle Creek.

Grand Rapids Telephone Employees.
Westside Improvement Association, Detroit.

Charters Pending

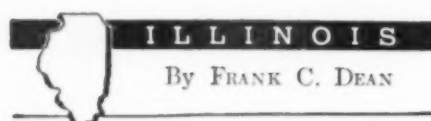
Saginaw Municipal Employees.
Jackson Telephone Employees.
Ward Bakery Employees Federal, Detroit.
Detroit City Gas Employees.
Industrial Wire Cloth Co., Wayne.

New League Members

Scandinavian Credit Union, Detroit.
Dairy Benefit Credit Union, Lansing.

Grand Rapids Telephone Employees Credit Union.

Campbell, Wyant & Cannon Federal Credit Union, Muskegon.



By FRANK C. DEAN

Annual Meeting of League

Plans for the tenth annual meeting of our Credit Union League are rapidly nearing completion. Sessions will be held at the Hotel Sherman as last year, the dates being March 17 and 18.

In general, much the same plan, as adopted in previous meetings will be followed. The main meeting will be held on March 18, with several group discussions in the morning. A noon luncheon, will be followed by the afternoon business session and a banquet in the evening. Profiting by the experience of previous years, each part of the program will be adapted to fit new and growing needs. More detailed information regarding the program will be contained in the March issue of the News.

Meanwhile Bernard C. Roloff, general chairman, has appointed chairmen of the different sub-committees, and these are busy at work. The personnel of this group as announced by Mr. Roloff are: Committee on Group Discussions, John Kelly, Headquarters Staff.

Committee on Entertainment and Banquet, M. J. Conway, Libby, McNeill and Libby.

Committee on Registration and Elections, John H. Ulrich, Chicago Park District.

Committee on Program, Harold G. Carson, Commonwealth Edison Co.

Committee on Reception, Marie V. Aebischer, 3509 W. 64th Place.

Publicity Committee, Frank C. Dean, Editor, Illinois Credit Union News.

* * *

Mississippi Valley Chapter Schedule

MARCH 16

Subject: "Human Side of the Credit Union."

Speaker: Rev. Axel Pearson.

Place: First Congregational Church, 22nd St., 7th Ave., Moline. Social meeting.

APRIL 6

Subject: Cash vs Installment Buying.

Speaker: Walter McBride, Secy. Tri-City Railway Credit Union.

Place: Peoples Power Co., Auditorium, Moline.

MAY 4

Subject: High Standard of Conduct in the Credit Union.

Speaker: Harry Morgan, Treasurer, R. I. Arsenal Employees' Credit Union.

Place: Peoples Power Co., Auditorium, Moline.

JUNE 1

Subject: "Credit Unions and Legislative Problems."

Speaker: Marcus Russell, Treasurer, John Deere Harvester Employees' Credit Union.

Place: Peoples Power Co., Auditorium, Moline.

* * *

Credit Unions of the Central Chapter Lends \$3,178,143.68

Over three million dollars have been loaned by credit unions of Central Illinois chapter since its first credit union was organized 12 years ago. This impressive figure of \$3,178,143.68 was announced by Ralph Long at the annual chapter meeting Jan. 18 in Mrs. Carr's tea room, Decatur.

Central chapter includes 31 credit unions of Decatur, Taylorville and Clinton. Statistics compiled for the chapter by Mr. Long show a membership of 6,897 for these credit unions in 1938 as compared with 6,002 in 1937. Shares in chapter credit unions in 1938 totalled \$694,876.55 as compared with \$518,620.55 at the end of 1937. Loans made in 1938 were \$920,822.55 as compared with \$774,438.79 in 1937. Gross earnings in 1938 were \$61,202.53; in 1937, \$47,320.97.

R. A. ("Doc") West of Staley credit union was elected chairman of the chapter, succeeding Francis A. Walker of Decatur Milling credit union. Robert Behrend of Decatur, Illinois, Terminal credit union, former secretary, was elected vice chairman and William Tenney of Decatur Automotive Employees credit union was named secretary.

Fox River Chapter Has Big Attendance at Annual Meeting

With 125 members and friends present the Fox River Chapter had its largest annual meeting attendance on January 29 in Elgin. The meeting was preceded by a quarter dinner. But lest anyone get the idea that it was a fourth of a dinner, it should be explained that the difference in cost was planned to be met out of the treasury of the chapter. The Elgin committee in charge bought the food, hired the cook, and had it served in the I. O. O. F. Hall.

Charles Hyland of the Credit Union National Association was the principal speaker. Out of his broad experience he was able to answer many questions which lasted late into the afternoon.

Howard Miles, retiring president of the Chapter, was mentioned as a candidate for League director and was accorded general endorsement.

At the annual election of officers, Bruce Harrison of Elgin, was elected president; the other officers were re-elected, C. J. Bruns, Elgin, vice president; M. J. Maertz, Sycamore, secretary; W. B. Shales, Jr., Elgin, treasurer. The executive committee consists of the officers and William Yopp and Harry Pagel, Elgin; George Tinnes, West Chicago, and Frank C. Dean, Sycamore.

The next meeting of the chapter will be held at Sycamore in April.

* * *

M. F. Gregory Elected National Director

At the January meeting of the board of directors of the Illinois Credit Union League, M. F. Gregory of Swift (NSY)



AN UNUSUAL RECORD

The Evanston Bus Employees Federal Credit Union, of Evanston, Illinois, has established some kind of a record. At the end of ten months' operation there was 100% membership participation. And not a penny of share investment had been withdrawn!

The picture is that of the board of directors and the two committees.

The board members, in the front row, are, reading from left to right, E. J. Van Stell, H. J. Hofmann (treas.), A. B. Orcutt (pres.), J. D. Crittenden (clerk), B. A. Doetsch (vice-pres.). In the upper row, reading from left to right, are Chas. Pack (credit com.), J. W. Soter (credit com.), R. S. Mackay (super. com.), L. E. Wasmund (super. com.), R. J. Dewar (credit com.), H. G. Johnson (super. com.).

The 115 persons in the field of membership became acquainted with the credit union right from its inception,—there being practically 100% attendance at both the charter and organization meetings. Other contributions to the fine record of this credit union have been the high degree of understanding displayed by its officers and the commendable attitude of the management.

THE BRIDGE—March, 1939

Employees Credit Union, E. St. Louis, Ill., was elected a national director to fill the vacancy caused by the resignation of Joseph S. DeRamus.

Marion has long been identified with the credit union movement, having served the Swift N. S. Y. Employees Credit Union in various capacities; has been president of the Southern Illinois Chapter of Credit Unions, has served as director of the Illinois Credit Union League for several years; is a member of the Founder's Club for organizing credit unions, and has served in numerous other ways.

Other directors of the Credit Union National Association from Illinois are Presley D. Holmes, our League president; Frank D. McKeag; Gilbert M. McNeil of Chicago, and Ralph G. Long, Decatur.

* * *

Peoria Chapter Holds Bi-Monthly Meetings

Peoria chapter meetings are held every third Monday of every second month. The date for the next meeting being Monday, March 20. Time, 8 p.m. at the Hotel Pere Marquette, Peoria. Please inquire at the desk for the room number.

At this meeting, the annual election of officers for the Peoria Chapter will be held.

Plans for a picnic will also be discussed at that time.—LILLIAN C. CUTT, Secretary, Peoria Chapter.

* * *

Eat First Time in 10 Years: Liked It

The Elgin Postal Employees Credit Union has completed its tenth successive year and declared a 4 4/5 per cent dividend. There are 84 members including Postmaster Joseph Kreeger. Director E. C. Jewett writes, "For the first time our directors decided to have something to eat at our annual meeting. We had a real live meeting, so we will probably do the same again."

* * *

St. Michael's Parish Host to Chicago Northwest Chapter

The regular monthly meeting of the Chicago Northwest Chapter was held on Friday, January 27, at St. Michael Parish Credit Union, 443 Eugenie St.

A very fine group of credit union friends were present.

The meeting was opened by acting chairman, Fred Huebner with the group standing for a moment of silence in memory of Edward A. Filene.

The chairman announced that the BRIDGE MAGAZINE needed more subscriptions and hoped that all credit unions would do their best to send in as many subscriptions as they could; also subscribe for their own board of directors and pay for same.

The Filene Memorial building was explained again and the report of the Illi-

nois committee showed that a good many credit unions are doing their bit towards this fund.

Among the new members joining the chapter, was the Suburban District No. 1 Bell Employees Credit Union and the governors took the oath of office. We welcome them in our chapter and hope others will join the chapter.

* * *

Chicago Southwest Meets at Armour's

The January meeting of the Chicago Southwest Chapter was held in the club room of the Plant Executives Club at Armour and Company, 31st and Benson Streets.

Part of the evening was devoted to discussion and formulation of plans for the annual meeting to be held in February. President W. A. Christie told of his attendance at two credit union annual meetings recently which were very well attended. Representatives of both credit unions responded to his request to tell the chapter of their success. Mr. Christie urged all credit unions to make a special effort to get a good crowd out for their annual meetings.

We were very much pleased to have A. J. Clauter give a brief account of the activities and accomplishments of the Illinois Credit Union League during the past year. The facts and figures which he presented were of interest to all who were present.

A lively discussion arose over the duties of the treasurer and the supervisory committee in connection with the annual closing of the books of a credit union. There was an active exchange of opinions and methods of procedure.

The meeting closed with the serving of refreshments.—MARIE AEBISCHER, Secretary.



PENNSYLVANIA

By JULIA D. CONNOR

"Money can be saved only from the top of the pile. If we decide to save only what is left over there will seldom be anything left to save."

W. E. ALLEN,
Federal Credit Union Section.

Annual Meeting Pennsylvania Credit Union League

MARCH 18th is the date, and Pittsburgh is the place set for the annual meeting of the Pennsylvania Credit Union League. The William Penn Hotel has been designated as headquarters, and an able committee headed by Mr. J. A. Moore, of Pittsburgh Firemen's Federal Credit Union, is in charge of plans for the meeting.

Two hundred credit unions are expected to send delegates, and the membership from more than 150 credit unions

in the Pittsburgh area, as well as those coming from more distant points, indicate that the number attending will be well over 1,000.

The meeting will open at 10 A.M., and continue through the day, with intermission for luncheon. It is planned to conclude the business before the banquet, which is set for 6:30 at the headquarters hotel.

Mr. Roy F. Bergengren, and another prominent person, not yet selected, will be speakers at the banquet, and the local committee has promised some unique entertainment features. The Pittsburgh Chapter is sponsoring the dance, which will begin at 10 P.M., and continue until 2 A.M.

Among important matters to come before the meeting is that of election of directors. It is important that voting delegates be present, and that names of delegates and alternates be sent to the managing director not later than March 10.

The Pittsburgh committee has made arrangements for special parking privileges, and those contemplating going by car are urged to write Mr. J. A. Moore, 204 City-County Building, Pittsburgh, for stickers for automobiles. This is important, as parking space is at a premium in Pittsburgh.

Dinner reservations should be made, accompanied by remittance, to reach the committee not later than March 9, as that is the final day on which the hotel will guarantee to hold reservations for which payment has not been received. Tables are being allocated in the order in which they are received. Tables for parties of 10 may be reserved, if desired. Price of dinner \$2.50 per person including dancing. Dance to follow the dinner 75c for those not holding dinner tickets.

* * *

Filene Memorial

The campaign is on! Returns are beginning to come in. The Filene Memorial Committee will be asked to report at the annual meeting. What that report is will depend on you.

Even though you have not completed your canvass of members, send to the chairman or the managing director whatever pledges or payments you have to date. Pennsylvania should keep her place in this, as she has in the whole credit union movement. There are now 100,000 credit union members in the state. If each member gave 25c the total would be \$25,000. That would be a contribution of which any state could be proud. And surely any credit union member would be willing to make that small gesture of appreciation of the greatest contribution that any man has made to the American people.

Judgment Notes

Credit union officials throughout the state have continuously clamored for a note form, containing a confession of judgment clause, and waiver of exemption. Such a form has now been approved by the Farm Credit Administration, and has been examined for legality by an attorney within the state. It is now being stocked by CUNA Supply Cooperative and will be available to all credit unions wishing to make use of it.

Assignment clause. While it is recognized that an assignment of wages cannot be enforced under the law in Pennsylvania, and may be repudiated by either employee or employer, some credit unions prefer to use them. For that reason the new note form will have an assignment form attached, with perforations, so that it may be removed at will.

Chattel Bond

Through the combined efforts of Mr. A. W. Thomas, President of the District of Columbia Credit Union League, and Mr. Roy F. Bergengren, the Associated Indemnity Corporation has developed a new and invaluable policy of indemnity, for the protection of credit unions taking mortgages, deeds of trust, conditional sales agreements, bailment leases, or other instruments creating a lien. The policy has been approved by the Farm Credit Administration, and takes the place of recording and filing loans secured by such instruments. Its use is intended to effect generous savings in costs incidental to the recording and releasing of lien instruments.

Information regarding this type of insurance will be sent by the Guardian Management Corporation, 925-15th St., N. W., Washington, D. C., upon request.

Red Tape

Complaints are constantly made regarding the hampering restrictions of red tape on credit unions, particularly those which operate under Federal law. But, going about the state, contacting credit unions here and there, we find an endless amount of red tape in which credit unions have bound themselves, and which hamper their operations more than any government-imposed rulings.

For instance, there is the credit union that interpreted the phrase "no loan in excess of \$50 shall be made without security" to mean that no member could borrow more than \$50 in excess of the amount he had paid in on shares, regardless of any other security he might have offered. Thus, if a member wishes to borrow \$300, he must have \$250 in his shares account. They base this ruling on that part of the law which states

that "an assignment of shares may be considered as security." This particular credit union had \$10,000 begging for a place to work.

Then there is the credit union which has a ruling that no person may become a member until he has been in the employ of the establishment for three months. Under this ruling a man who transferred from a subsidiary, where he had been a member of the credit committee of his own credit union, was barred from joining and putting into the credit union a substantial sum, while the credit union was forced to borrow \$300 to take care of loan applications.

Another credit union has a ruling that no person may borrow until he has been a member three months. This is based on the theory that the prospective borrower did not come into the credit union until he needed money, and the further premise that a loan to him might prevent an older member from obtaining a loan if he should need it. This particular credit union closed its books at the end of the year with a third of its capital idle. Those "older members" will be "holding the bag" when it comes to paying dividends unless the board wakes up and gets the money working.

Another credit union insists on a co-signer for every \$50 loaned, without any regard for the relative values of the signatures of different persons. Imagine having to get ten co-signers if you wanted to borrow \$500!

Many credit union officials are under the impression that if a member acts as a co-maker, he is barred from borrowing, and vice versa. Here again they fail to take into consideration the most important factor, i.e., whether the borrower's income would enable him to repay his loan and also that of the borrower for whom he has co-signed. A credit union operating under this ruling is hampering its progress and will find that it will become increasingly difficult to obtain co-signers.

There is the credit union with the "tight" credit committee. A credit committee should be selected with care, giving proper consideration to the good judgment of those selected. But under no circumstances should their reputation for being "hard-boiled" or "tight" be considered as qualifying them to serve on this committee. Neither do we advocate a laxness which does not take proper cognizance of the fact that the funds to be loaned represent the combined savings of people of limited means. Too often, however, we find that a member has been selected to serve on the credit committee because he is the largest share-holder in the credit union, and it is presumed that that fact will serve to make him cautious. And too often it does just that. He becomes so engrossed in watching his own savings that

he loses sight of the other fellow's problems.

Often we find the credit union electing on its credit committee the credit manager of the establishment in which the credit union operates. While this is not universally taboo, it frequently happens that the person occupying the position of credit manager is guided in his consideration of credit union loans by the same principles which would guide him in granting credit. It not infrequently happens that a poor credit rating is the result of misfortune, and the reason for rejecting the applicant as a poor credit risk, might be the very reason the credit union should loan him money.

Check over the list, and examine your credit union. Perhaps we have not hit upon the kind of red tape you use. But there is red tape and red tape.



TEXAS

By DR. R. L. CONROD

William Oron Freeman

Here, folks, is the likeness of one W. O. Freeman. He may be a relative of that radio comedian, Bob Burns, for he was born at Melbourne, Arkansas, on November 19, 1899. At least he is from the same state.

Mr. Freeman was educated in the High School of Sweetwater, Texas, and the University of Texas, Austin, and Texas Christian University, Ft. Worth. He was graduated from the latter in 1923. He eventually became an employee of Armour and Company at Ft. Worth and has been there for the past thirteen years holding statistical position, but is now Personnel Manager of that firm.

Mr. Freeman has taught school in Sherwood, Sweetwater, Eastland and Ft. Worth. On June 3, 1933, he was married to Miss Merle Poston of Ft. Worth. He belongs to the Masonic Lodge, Armour Employees and the North Texas District Credit Unions. He owns his home and has traveled quite extensively through the United States and Mexico. His hobbies are fishing and hunting; he is very fond of football and golf, and for reading, likes biography and inspirational books.

Mr. Freeman is a very energetic individual and is always trying to improve himself by study. He passed the Bar



W. O. Freeman

Examination in June, 1938, after three years of study in the North Texas School of Law at Ft. Worth. He has been on the Board of Directors of the Texas Credit Union League and is now serving in that capacity with distinction.

More power to you, William. We need more men of your calibre in the Credit Union movement.

* * *

Charles Howard Sherman

Charles Howard Sherman was born March 20, 1891, at Evansville, Indiana. He was educated in the schools of that state. Mr. Sherman selected the teaching profession as his life work and has spent 27 years as a teacher with the Houston Independent School District. Fifteen of these twenty-seven years he has served as athletic coach. He has also served as Physical Director of the Y. M. C. A. at Houston, Texas, and at Indianapolis, Indiana.

In the merry month of June, 1916, Charles and Miss Ruth Esther Hine of Houston became man and wife. They now have a son twenty years old who is now attending the University of Texas at Austin.

C. H. has served as Vice-President of the Gulf Coast Credit Union Association, as Director of the Texas Credit Union League, and is now the Treasurer of the Houston Public School Credit Union. He is a member of the Church, owns his home, and before the Credit Union movement displaced his workshop hobby, was a home loving man.

Mr. Sherman has traveled some, but not extensively, and he is partial to adventure stories for reading and basketball for sports.

It is easy to see that men of his type are valuable to us in the Credit Union movement.

* * *

Texas Credit Union League Minutes of Directors Meeting January 14, 1939

The meeting was called to order by President Judson at 6:30 p.m.

Roll call showed all present except Mr. B. S. Wallace of Waco, newly elected.

The first business of the meeting was the election of the following officers:

V. S. Judson, President
Dr. R. L. Conrod, Vice President
C. W. Thomas, Treasurer
W. J. Edmonston, Secretary
G. W. Elder, Managing Director

The Managing Director was authorized to receive bids on One Thousand (1000) copies of the By-Laws, including Amendments.

Mr. Jos. A. Collerain was named as Alternate Member of the Executive Committee, to attend the CUNA Executive Committee meeting in New Orleans, La., Feb. 23-24.

It was voted that our Executive Committee attending this meeting will be allowed transportation costs only.

It was voted to hold the January 1940 Convention of the Texas Credit Union League in Beaumont, Texas.

Mr. G. W. Elder was officially declared a National Director to complete his term of office in 1939.

Mr. W. J. Edmonston was officially declared a National Director to complete his term of office in 1940.

Dr. R. L. Conrod was selected to edit the Texas Credit Union League News.

It was voted that up to \$50.00 be allowed to each National Director to take care of loss of time from work while attending the National Board Meeting in New York City in May of this year.

It was voted to raise the salary of Mr. Freeman, Assistant to the Managing Director to \$35.00 per month for six months.

It was voted to hold a Board Meeting July 22, place to be determined later.

It was voted that the Executive Committee be authorized to act on expenses of the Legislative Committee incidental to work now in progress at Austin, Texas.

The following checks for expenses were authorized:

\$10.00 to Mrs. Orchard for stenographic work.

\$10.00 to Mr. Anderson for costs of entertaining.

A vote of thanks was extended to Mr. Adolph S. Anderson for his fine work in arranging for the Convention.

It was voted to allow the expenses of this meeting.

It was voted that the Peoples National Bank of Tyler be continued as a depository.



O H I O

By LOUISE MCCARREN

Did You Give?

By this time, many credit unions will have completed their drive for funds in the Filene Memorial Campaign. For those of you who haven't, the campaign is not over and every one still has a chance to give. It is still not too late to express your appreciation for your credit union. If your credit union has been of benefit to you, if you have profited directly or indirectly by the operation of it then you will want to give expression to that feeling. For those of us who are working in this campaign there is one significant thing that we should not overlook. In this day of racial and religious prejudice we in the credit union movement should do everything possible to combat hatred for our fellow-men. We should realize the full significance of

the Filene Memorial, and be grateful for the fact that in America the working people consisting of Catholics and Protestants, Jews and Gentiles, black and white are combining to build a memorial to a Jew. Truly this could not happen in any other country. The credit union movement, realizing its higher destiny should use all of the means it is possible to command to stem this rising tide of anti-Semitism and anti-religion.

Remember—your dollar today—builds Filene House tomorrow!

* * *

Dayton Chapter Elects Officers for 1939

At the annual meeting of the Dayton Chapter held at the Y. M. C. A. on January 21, Charles Mudge of Frigidaire Plant No. 2 credit union was elected to serve as president for the coming year. M. J. Ferree of the Lowe Bros. Federal Credit Union was elected as vice-president, and Miss Eleanor Stebel of the Specialty Papers Federal Credit Union as secretary-treasurer. The meeting was attended by approximately 100 representatives of the local credit unions. The managing director spoke on "Annual Meetings." All credit unions were urged to secure as large an attendance as possible, and to make the meetings so interesting that all members who did attend would be sure to come back the following year. She urged that the meeting be planned well in advance, and that the chairman keep the discussion moving and not permit the meeting to be dragged out in such a fashion that it would be tiresome to those attending. A lively discussion was held on the planning of credit union budgets for the coming year, methods of determining the amounts that could be paid to the treasurer as salary and bonuses, and the appropriation of sufficient funds for the credit union's educational committee.

* * *

Managing Director Attends Coal Areas Committee Conference

The managing director spent February 21 and 22 in southern Ohio attending joint meetings of Study Clubs in the coal areas of southern Ohio. Under the able leadership of Stanley Hamilton and Edwards Dickinson, working under the auspices of the Industrial Council of the Church of Christ they have organized study clubs in several of these areas. Following the technique used in the development of credit unions in Nova Scotia, the groups are meeting weekly or semi-monthly, first to discuss their economic situation and second, to find possible solutions. In some groups they have started to save money. When the point is reached wherein they have sufficient capital to organize a credit union the group will then decide whether or not the credit union will fill their needs. In addition to the managing director's explanation of the credit union, Mr. W. E.

Allen, educational director of the Federal Credit Union Section spoke on the problems involved in informing their members and then putting the ideas into practice.

* * *

A Unique Experiment

Clifton Warren, economic professor in Warren G. Harding High School in Canton, lectured one day to his high school seniors about credit unions and consumer cooperatives. The credit union idea captivated the class and they asked for additional information. When Robert Platter was in Canton organizing a credit union, he was called in to tell these high school seniors more about the credit union movement.

These boys and girls immediately saw a practical application of this idea, so they voted to organize a credit union (on paper only) whose membership would be limited to members of the senior class, for the express purpose of enabling them to accumulate sufficient funds throughout the school year to pay for the expenses incidental to their graduation. Promptly a meeting was held in which it was voted to organize. A board of directors was elected as well as a credit committee, and audit committee and the books were opened for business. At the end of the first two weeks the group had saved in excess of \$20. The members became so enthusiastic and interest throughout the school was aroused. The members of other classes petitioned for the privilege of membership. A special meeting of the members has now been called to act on the enlargement of their field of membership to include all of the students of the school!

* * *

Credit Unions Organized in January

Following are the list of credit unions that have been organized during January:

B-C Credit Union (to serve employees of the Black Clawson Company in Hamilton).

Warner-Swasey Federal Credit Union, Cleveland.

Public Library Employees Credit Union, Cleveland.

Auto Workers Credit Union (employees of Fisher Body and Chevrolet in Norwood).

City Hospital Employees Credit Union, Cleveland.

Youngstown Northern Federal Credit Union.

CISDA Credit Union (Cleveland Italian Sons and Daughters of America).

Cord Credit Union (employees of the Lima, Cord Sole & Heel Co., Lima).

Highland Body Credit Union (employees of Highland Body Co. in Elmwood Place).

Service Employees Credit Union (members of Local No. 33, Building Service Union, Cleveland).

Delco Products Employees Credit Union, Dayton.

Z-Line Credit Union (employees of Harris, Seybold & Potter Co., Dayton).
St. James Community Credit Union.

* * *

They Joined the League

The following credit unions have voted to affiliate with the League in January: Columbus Postal Employees Credit Union.

Tolco Credit Union.

A. H. R. Akron Employees Credit Union.

Seiberline Latex Federal Credit Union.

Public Library Employees Credit Union.

CAMCI Federal Credit Union.

St. Boniface (Toledo) Federal Credit Union.

City Hospital Employees Credit Union.

North Fairmont Presbyterian Church Credit Union.

Republic Steel (Canton) Employees Federal Credit Union.

* * *

E. C. Kimball Named General Chairman of Annual Meeting

President G. H. Mitchell has appointed Ed Kimball as general chairman of the annual meeting of the Ohio Credit Union League. Ed is vice-president of the League and a member of the national board. Already work is being done to make this meeting the outstanding annual meeting to date. The committee is considering all possible places where this meeting could be held as conveniently and as economically as possible, at the same time insuring adequate facilities to take care of all who are interested in the credit union movement, at a price which all can afford to pay. Watch for the dates—and the announcement and plan now to attend!

* * *

Education Committee Appointed

By action of the Board of Directors an Educational Committee for the League was created whose principal duties is to assist the Managing Director to publish a League publication, to develop posters and informative material, and to help to work on membership education. Mr. Mitchell has appointed Harold Schroeder as general chairman and the remainder of the committee is to be selected by the chairman.

* * *

Organization Problem to Be Studied

Under the leadership of Ray Schrieker of the KEMBA Cleveland Credit Union, who is acting as chairman of an organization procedure committee, it is hoped that plans can be formulated which will enable the rapid organization of new credit unions in Ohio. Mr. Schrieker has on his committee, Capt. George Witty of the Cleveland Firemen's Credit Union and I. S. Payton of the Sohio Home

Office Credit Union. All three of these men have had a great deal of experience in organizing credit unions, and are particularly well fitted to work out a method whereby the services of many people throughout the state can be enlisted in organization of new credit unions. The main objective of the League is to bring credit union service to millions of people in Ohio who are without it at the present time. If only the League employees and the employees of the Federal Government carry on this organization work it will take a century to cover the field. This committee is now at work making plans for enlisting the services of chapters, and credit union members throughout the state. When the plans are announced all credit union members should cooperate with the committee and put their suggestions into action. Only in this way, can we make a significant approach to the very great problem of extending the credit union movement in our state.



DISTRICT OF COLUMBIA

By A. W. THOMAS

Chattel Loan Protection Insurance

A NEW AND invaluable type of insurance for Credit Unions has been devised and is now available. The development of this policy took place during 1938, and reflects the study and efforts of the District of Columbia League officials, who cooperated with those of the Associated Indemnity Corporation which underwrites the policy, and its General Agent, Guardian Management Corporation of Washington, D. C. The District of Columbia Credit Union League, Inc., holding the central policy under which all policies are written.

Heretofore, the protection of a Credit Union's interests under chattel mortgage loans required that the lien instrument be recorded or filed within a specified time.

While there is no law which requires that a lien be recorded, such recording is necessary to protect the legal position of the Credit Union, as it constitutes public notice of the existence of a lien and places the Credit Union in the position of being a first mortgagee.

Good business judgment dictates that all liens be protected in so far as possible. Officials are charged with the duty of protecting the interests of the members whose moneys are loaned under chattel mortgages, and, while a loss from this source might seem improbable, it is, nevertheless, possible and, therefore, a risk against which the fullest measure of protection should be secured.

The new policy is appropriately named "Chattel Loan Protective Policy," and is all that the name implies. It provides

all of the protection afforded by recording or filing and, in addition, a medium through which the union is reimbursed for losses it may sustain which, of course, recording or filing does not, nor could not, do for obvious reasons.

The insuring clause of the policy provides, in effect, that the company shall make good to the Credit Union such pecuniary loss as the union shall sustain on loans secured by a mortgage, deed of trust, conditional sales agreement, bailment lease or other instrument creating a lien on personal property in favor of the union, provided such pecuniary loss would have been sustained except for the voluntary failure of the union to record or file such instrument. The closing sentence of this clause states that it is understood and agreed that the insurance is in lieu of recording or filing.

Losses that can occur where liens are not recorded or filed and which are covered by the policy could arise out of the following eventualities: (a) The sale or transfer or the granting of or permitting of a lien of any kind to a third party without the consent of the Union; (b) the levying of execution on the mortgaged property; (c) the entering of a judgment against the mortgagor which, under the laws of the jurisdiction, becomes a lien on the mortgaged property; (d) the attachment of the property by a writ of a Court of Law.

The liability of the Company is predicated on the following: (a) Actual value of the security at the time of loss; (b) amount of unpaid balance due; (c) limited to \$1,000 as respects any one loss or loan.

In the event of loss from any of the causes enumerated, the Union proceeds in the usual manner to collect whatever is owing and, failing to do so, files a proof of loss with the Company, which then makes its investigation and makes settlement.

The policy is what is termed an open end contract. It has an inception but no termination date. In other words, after taken out by the Union, it continues in full force and effect until cancelled by either the Union or the Company during which time all chattel loans are automatically insured when made. At the end of each month, the Credit Union makes up a list of loans made and reports same to the Company on forms supplied, accompanied by a check for the premium developed, which is computed at the rate of \$1.00 for each loan made during the period covered by the report.

The excellent protection afforded and the economy and simplicity with which it is secured are factors of interest not only to Credit Union officials, who are charged with the responsibility of directing their union's activities, but also to the members who look to the safety of their

investment and the interest returns thereon.

Aside from the economies effected in first fees for recording, filing, and re-leasing, there are the additional savings in such fees where a borrower moves his residence from one jurisdiction to another which requires another recording or filing, for the reason that the insurance is for the term of the loan and is not limited to the jurisdiction in which the borrower lived at the time the loan was made. Further, there is the time element necessary to the recording and filing of an item involving expense which, under this plan of insurance, is reduced to the absolute minimum.

As respects cost, after due consideration to the reason for the establishing of the present rate, and the Company's agreement in respect to revision, it appears justified. The rates applicable to all insurance are based upon the loss ratios, i.e., losses paid to premiums earned. In the case of this insurance, there were no statistics available upon which a rate could be based, therefore, as is customary, the Company promulgated a judgment rate and stated that, as soon as it had gained some experience as respects losses and premiums written, it would make a revision of the rate to whatever level appeared adequate to properly provide for the payment of losses, and a fair compensation to it for underwriting service. Therefore, if the experience developed under insurance is as we hope it will be, the Unions can look forward to further savings which will be effected through a reduction in the rates.

* * *

Newest League Members

The League is very happy to welcome to its ranks the District of Columbia Teachers Federal Credit Union. This is one of the newer credit unions in the District and one which has been enjoying a fine, steady growth under the direction of Mr. John P. Collins, President and Mr. Elbert Y. Olney, Treasurer. The Social Security Employees Federal Credit Union, under the direction of President Bowen, has rejoined the League after a year's absence. Congratulations to Mr. Bowen and his Board of Directors and Members of Social Security Federal Credit Union.

* * *

Bill H.R. 2539 to Transfer District Credit Unions to F.C.A.

The following is a resolution opposing the transfer of District of Columbia Credit Unions from the Commissioners of the District of Columbia and the Comptroller of the Currency, to the Farm Credit Administration, adopted January 18, 1939, by the interested credit unions, at a conference sponsored by the District of Columbia Credit Union League:

WHEREAS, The credit unions organ-

ized under the District of Columbia Credit Unions Act of June 23, 1932, are rendering an excellent public service by promoting thrift and by affording the opportunity to make small loans at low rates of interest as compared with the exorbitant rates charged by loan brokers;

AND WHEREAS, This is largely made possible because much of the work is performed by volunteer workers who devote their spare time to it, and by employees who receive nominal compensation for spare-time work;

AND WHEREAS, The Acting Secretary of the Treasury has submitted to the United States Senate, through the Vice-President, a letter transmitting a draft of proposed legislation to transfer the jurisdiction over District of Columbia Credit Unions from the Commissioners of the District of Columbia and the Comptroller of the Currency to the Farm Credit Administration, which has been referred to the Committee on the District of Columbia;

AND WHEREAS, There has been introduced in the House of Representatives a Bill which has the same purpose and which is designated H. R. 2539, 76th Congress, First Session;

AND WHEREAS, It appears that this proposed legislation would have the effect of requiring credit unions to reorganize under new by-laws and to adopt new accounting and reporting systems to conform with the practices of the Farm Credit Administration;

AND WHEREAS, This would involve considerable labor on the part of the overworked forces of the credit unions, and considerable expense which their meagre resources cannot afford;

AND WHEREAS, The District of Columbia Credit Unions Act of 1932 would remain in effect, although District of Columbia credit unions would be transferred to the jurisdiction of the Farm Credit Administration for administration "in accordance with the provisions of the Federal Credit Union Act," thus depriving the District of Columbia Credit Unions of their rights and privileges under the District of Columbia Credit Unions Act and tending to create confusion in questions relating to which of the two acts should apply;

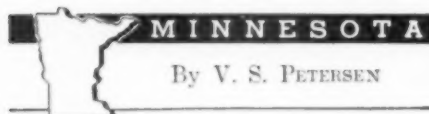
AND WHEREAS, The District of Columbia Credit Unions Act corresponds in a large measure to the various State laws governing credit unions, and the administration of District of Columbia Credit Unions by the Commissioners of the District of Columbia and by the Comptroller of the Currency corresponds to the administration of state-chartered credit unions by the state governments and state banking officials;

AND WHEREAS, In the District of Columbia, there are the same reasons for maintaining two administrative agencies

for credit unions as in the states, which have found it unwise to abolish state control of credit unions and where efforts to that end have been strongly resisted;

BE IT RESOLVED, By the credit unions organized under the District of Columbia Credit Unions Act that they strongly protest against any change of jurisdiction to the Farm Credit Administration and request the support of all interested persons to that end.

Adopted at a conference of District of Columbia Credit Unions in Washington, D. C., January 18, 1939.



Let's Build Bridge

The following excerpt from a letter sent to all the members of the Franklin Co-operative Credit Union reflects such a fine "Let's build the Bridge" attitude that it is quoted here verbatim.

"Regarding the Credit Union magazine 'BRIDGE.' In previous years your Credit Union paid the entire subscription price for all members. This year we have been informed the subscription rate has been increased from 40c to \$1.00. We did not feel that our Credit Union could afford to bear the entire cost of this new rate and at the annual meeting the membership voted to have the Credit Union stand half the subscription cost for those who wished to subscribe for another year. In other words, if you wish to subscribe, just pay 50c to the Credit Union office and we will add another 50c and send in your subscription.

"We urge all members to take advantage of this offer. 'BRIDGE' is an interesting magazine and helps to keep us informed on Credit Union matters and how best to use the facilities of your own organization.

"Why not use your dividend check to help pay for this subscription? The dividend on one share (25c) plus another 25c and the job is done. Give the attached coupon, properly filled out, with 50c to your department head, and we will do the rest."

As we have said so often—the foundation of the Credit Union Movement is a thorough and complete understanding of its deals and objectives. The most effective way of creating this is through a

national magazine of our own. Will you do your bit?

* * *

It Can Be Done!

The Directors of the Minnesota Power & Light Employees' Credit Union in Duluth had been much disturbed ever since their first Annual Meeting by the extremely small number of members who seemed interested enough to attend. The maximum number which had attended any Annual Meeting was 30 and the minimum 19—barely a quorum.

This year they decided that they were going to have a real meeting—and they found that "It Can Be Done."

First of all, they decided to hold the meeting in a hotel which was reasonably convenient for all members to get to and which enjoyed a good reputation for the quality of lunches served. There they arranged for the serving of a buffet lunch—and plenty of it. Next they rented some movie films—one reel on Snow Sports (a timely subject for January in Duluth), and a two-reel Laurel & Hardy Comedy, and borrowed a projector to show them. Then they split ten dollars up into several small door prizes and proceeded with the advertising campaign.

The regular notice of the Annual Meeting—including announcements of the feed, movies and prizes, was sent out to all members the required number of days before the date set by the By-Laws for the meeting. About four days before the meeting, a second notice was sent out, in which was incorporated a section to be returned to the Treasurer on or before the day of the meeting, indicating whether or not the member would be present. Two days before the meeting, posters were placed on all bulletin boards again advertising the feed, the movies and the prizes. All publicity urged the members to bring their wives—or husbands—to the meeting.

During all of this period, the standard greeting of a Director or Committee member to a fellow employee was, "Are you going to the meeting?"

And the result?

When the meeting was called to order—half an hour late, due to difficulty in finding chairs enough for the crowd—there were 118 present! Double what the Directors had hoped for and representing probably close to 50% of the actual employee members in the Credit Union.

And the cost?

About \$50, including the lunch, movies and door prizes.

And the reaction?

Of the members—"Had a swell time!"

Of the Directory—"Worth more than we spent and—It Can Be Done!"

* * *

League Credit Union

The League Credit Union held its annual meeting on January 26th. Seventy-five people attended this meeting. President George F. Feller was in the chair and led the discussion which moved along at a lively pace from the moment he said, "The meeting will please come to order" until he made the announcement, "Coffee and doughnuts will now be served."

4% dividend on shares and 3% interest on deposits was paid in 1938. The League Credit Union had 128 Credit Union members and 475 individual members and \$176,258.86 in assets at the close of 1938. The January 31st statement below reflects a splendid increase in assets during the past month.

It was voted to increase the board of directors of the League Credit Union from five to seven members. E. G. Fritter of the Humanist Credit Union was elected to succeed himself on the board and A. W. Blum of the Gold Medal Credit Union, R. E. Archer of the Soo Line Credit Union and V. S. Petersen, Managing Director of the Minnesota Credit Union League were the new directors chosen. George F. Feller, City and County Employees Credit Union; N. J. Pelletier, Minneapolis Postal Employees Credit Union and A. S. Greisen of Salisbury & Satterlee Employees Credit Union make up the full board. A. S. Greisen, Marjorie H. Hill and Verna G. Ireland were elected to the Credit Committee. A. J. Sauer, O. M. Olson and Morton Lake were elected to the Supervisory Committee.

* * *

News Route as Security

MANY ITEMS of value are offered to credit unions as collateral security for loans, but an applicant's equity in a newspaper route is certainly not one of the most common.

A western newspaper distributes copies to subscribers through dealers, with whom it enters into a written contract to supply papers at a certain price. The routes have a recognized market value and are sold to the dealers, who may in turn sell them to third parties with the newspaper's consent. The company may also withdraw the route if the dealer proves undesirable, but it must reimburse him at a stated rate per subscriber.

Since the company is willing to accept an assignment of the dealer's equity as security for a loan it has become an accepted practice of the credit union to make loans secured by these newspaper routes.

NEW CREDIT UNIONS

Cherry Co-op—Iron	Jan. 2
Farmers Union Employees'—South St. Paul.....	Jan. 3
Emrich Employees—Minneapolis	Jan. 18
Fulton Employees—Minneapolis	Jan. 27
Moose Lake Co-op—Moose Lake.....	Feb. 8
Barnum Credit Union—Barnum.....	Feb. 10

Opened for Business

Are You Proud of Your Credit Union?

THE following contribution is from Miss Minerva Kieselhorst of the Shell Wood River Federal Credit Union, Wood River, Ill.

So you're proud of your Credit Union? Well I am too! You're not only proud of your Credit Union but of all Credit Unions and what they stand for.

You've see your friends, neighbors and even relatives burdened by financial distress, hounded by loan sharks and strangled by the installment plan. Maybe you've not only seen it but felt it. This condition exists everywhere and will continue to exist until the end of time, but the Credit Union can help to eliminate such circumstances by educating their entire potential membership to its advantages.

This point cannot be stressed too strongly. I'm comparatively a new link in this organization so I can perhaps realize this better than you who are veterans. Your Credit Union is not a miracle worker but with the proper stamina on the part of the individual and the advice your Credit Union can give and wants to give, you'll probably think it *can* work miracles. I've seen cases where persons have been refused credit not because of dishonesty or moral reasons but because actual hard luck caused inability to meet their obligations. Your Credit Union will take a chance, list all current and past debts, pay them directly by check, put your obligations under one heading with convenient terms and nine times out of ten both you and they are the winners. There are no losers in such a set-up of undefined unselfishness. Quoting from H. G. Wells, "Christianity is the spirit of unselfishness" and shall we say unselfishness is the spirit of the Credit Union Movement.

You are proud of your Credit Union. You have a feeling of admiration when you think of Edward A. Filene, the man who helped organize Credit Unions in America. You wish you might have known or worked with such an unselfish personality, a man who refused to let obstacles stand in the way of the goal he sought. You can know him and you can work for him. Your contribution to the Filene Memorial whatever it may be will convey your eagerness to do your part in carrying on his work, to bring sunlight instead of dusk into more homes.

20 REPRINTS 25c

FILMS DEVELOPED

Two prints each negative, 25c. Three 5x7 enlargements 25c. Three 8x10 35c. Hand-colored reprints 5c.

SKRUDLAND

6444-104 Diversey St., Chicago, Ill.



National solved their problem

BECAUSE of their popularity and consequent rapid growth, credit unions are continually faced with new accounting problems. Such was the case with the Mongstus Credit Union in Kansas City, Missouri. In the ten years of its existence, this credit union had changed its bookkeeping system three times. F. M. Atkinson, treasurer of the union, tells how a National Posting and Control Machine solved their problem:

"On November 12, 1938, we opened our window, and it was indeed a great joy and satisfaction to greet our customers with a passbook posted to date and to know that our own record is posted in duplicate at the same time. The passbook feature is the wonderful thing about our set-up. Our members are happy and we feel that our Credit Union will be stronger, safer and sounder because of our new National Posting and Control Machine."

If your Credit Union is outgrowing its present accounting system, a discussion with the local National representative will be of great value to you. A National Posting and Control Machine can give you the same help it gave the Mongstus Credit Union.

The National Cash Register Company

DAYTON, OHIO

Cash Registers • Posting Machines
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Typewriting-Bookkeeping Machines
Postage Meter Machines



Check-Writing and Signing Machines
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Analysis Machines
Correct Posture Chairs

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and Committee Member

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